

CHAPTER 2 | Recruiting

Attracting the Talent We Want to Hire

Common wisdom in Japan says that the quality of the talent a company hires determines its future five to ten years ahead. Among the four areas of recruiting, development, systems and corporate culture, we invest the most in recruiting. Link and Motivation has been hiring mid-career employees since it was established in April 2000, but as our business expanded, we also took the unusual step of hiring new university graduates as early as April 2002 and have continued to do so every year since.

Securing capable talent is the sine qua non of recruiting, but we also emphasize engagement (mutual understanding and affinity), particularly an applicant's degree of sympathy with our philosophy. We are an organization that has come together to realize a mission. Unless prospective employees are sympathetic with our mission, we cannot expect them to perform at their best, no matter how talented they may be. As such, recruiting is key to increasing our core organizational metric of employee engagement, in the sense that it is management at the initial point of entry.

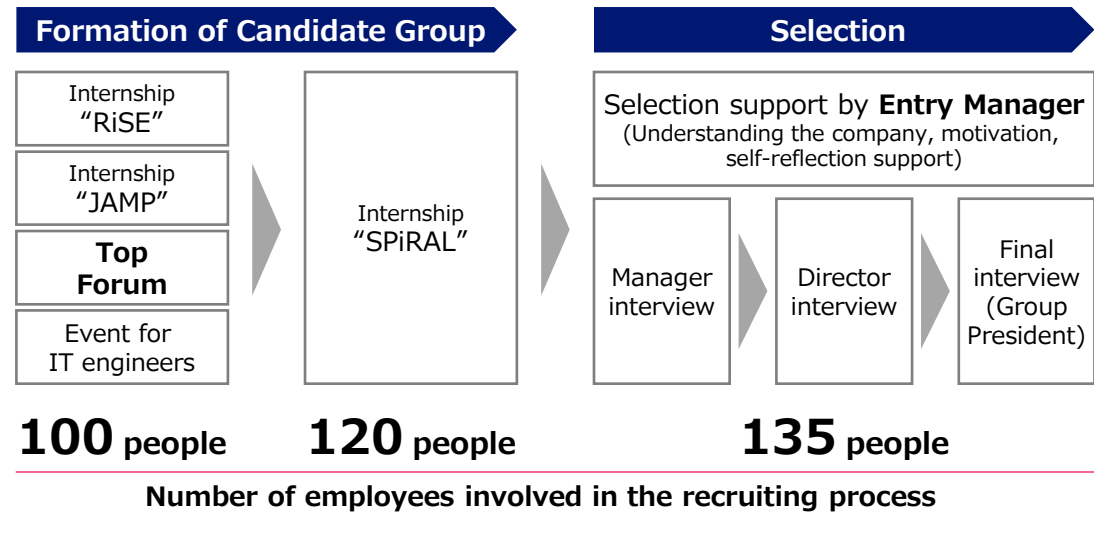
A January 2022 survey of all our new graduate candidates with conditional offers to join the Group this year showed their decision to accept our offer was the result of their sympathy with our philosophy and a high level of engagement.

Recruiting activities are important from the perspective of motivating current employees. They are also an opportunity for dialogue with applicants on their and our visions for the future. At the Link and Motivation Group, many employees are closely involved in various aspects of recruiting. Employees tell applicants in their own words their thoughts on the future of society and the Company, which becomes a pledge to the applicants. This in turn spurs current employees' motivation to live up to that pledge. Then, the newly hired employees tell the next round of applicants their thoughts on the future of the Company. This self-perpetuating system has become entrenched as the culture of the Link and Motivation Group, and it is a driving force behind the Group's high level of engagement.

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01 Attracting the Talent We Want to Hire

New Graduate Recruiting Process Example: Link and Motivation Inc.



Number of participants in 2021
1,273

Attracting the Talent We Want, Rather Than Choosing from People Who Want to Work for Us

In creating organizations with high employee engagement, recruitment that serves as an entryway to the company is critical. Based on the idea that **recruiting capabilities will support the company's future 10 years from now**, we approach recruiting with the stance of **attracting the talent we want, rather than choosing from people who want to work for us**. Given that no one in the labor market has experience in our original technology of Motivation Engineering, we have focused in particular on recruiting new graduates.

We conduct recruiting with **the commitment of the whole company, from upper management to the youngest employees**. The idea is **not to put people into the company, but to put the company into applicants**. On that basis, we each try to give applicants a broad understanding of the Group, including its philosophy, strategies, businesses, work roles, human resources and systems.

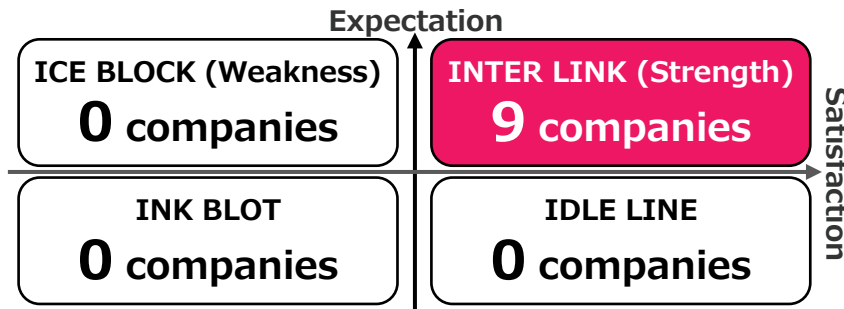
Conducting recruiting as a Group-wide endeavor has enabled us to build strong recruiting capabilities. For current employees, it is also an opportunity to take a fresh look at their day-to-day work and increase their motivation.

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02 Recruiting That Creates High Engagement

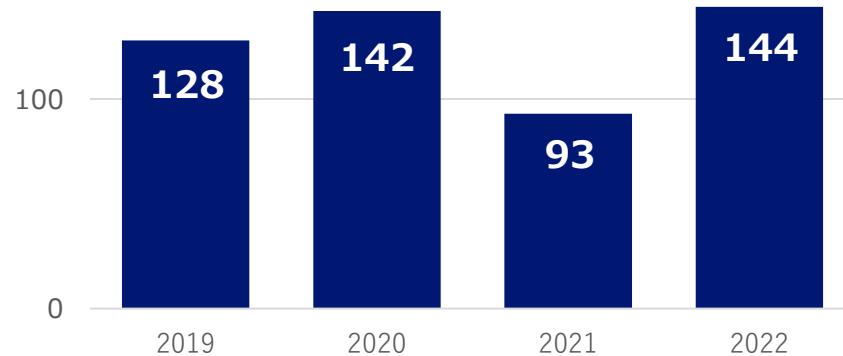
Results of 2021 Entry Management (EM) Survey

Position of Priority Factor “Philosophy” by Company



Note: Results for 9 companies that recruit new graduates

Number of New Graduates Hired



Focusing on Increasing Engagement to Enable Recruiting United by a Common Philosophy

To create high employee engagement after joining the company, we focus on **high engagement in recruiting**. And to maintain that high engagement, we place top priority on **sympathy with our philosophy as early as the recruitment stage** because of the importance we place on connection with our philosophy.

At the Link and Motivation Group, we measure the degree of mutual affinity between companies and applicants in recruiting activities based on the Entry Management (EM) Survey, a diagnostic tool that can quantify the degree of mutual commitment between companies and applicants. The results of the 2021 EM Survey are shown to the left. At all Group companies, “philosophy” falls under the category of strength, indicating that **employees are sympathetic with the Group’s philosophy when they join the company**.

We hired 93 new graduates in 2021, which was down from the previous year due to the COVID-19 pandemic, but plan to hire 144 new graduates in 2022.

Other Metrics for Recruiting

New University Graduate Recruiting

	2019	2020	2021
Recruitment costs ¹ (thousand yen)	476,797	443,973	355,000
Average length of time to fill vacant position ² (days)	58.7	72.1	56.1

Mid-Career Employee Recruiting

	2019	2020	2021
Recruitment costs ¹ (thousand yen)	156,841	200,514	180,085
Number of hires ³ (people)	56	53	42
Cost per hire ⁴ (thousand yen)	2,800	3,783	4,287

1. Total recruiting-related costs recorded in the relevant fiscal year.
2. Total number of days required to hire employees who joined the Group in the relevant fiscal year. Calculated based on the number of days from the application date to the offer acceptance date. Recruiting of mid-career applicants is not calculated because some Group companies hire throughout the year.
3. Total number of employees who joined the Group in the relevant fiscal year.
4. Calculated by dividing recruiting costs for the relevant fiscal year by the number of hires. Recruitment costs for new university graduates are not calculated because the amount invested in the relevant fiscal year is not directly linked to the number of hires.

Devoting Time and Money to Recruit Highly Engaged, Capable Talent

As mentioned on previous pages, we are committed to quality in recruiting, so we emphasize **devoting time and money to recruit capable human resources**. That is because we believe that human capital is **an investment, not a cost**, and that belief extends beyond the recruiting process.

The Link and Motivation Group's recruitment costs are shown on the left. The majority consists of personnel expenses for new university graduate recruiting and the operating expenses of Link-i Inc., a Group company that conducts new graduate placement. The time and money we invest is substantial.

Overall recruitment costs for new university graduates have decreased as a result of holding fewer real-world events, transitioning them to online events due to the impact of the COVID-19 pandemic. Cost per hire has risen because the Organizational Development Division is ramping up hiring of capable mid-career applicants for consultant and IT engineer positions.