

# Post-Industrialization and Employment Fluidity: A Focus on Workers' Careers

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The purpose of this study is to depict aspects of today's Japanese employment society from the perspective of the careers of workers on the labor supply side, focusing on two types of careers: "long-term careers," in which workers continue in the first job they take after graduation (their first job), and "fluid careers," as a weakening of the "long-term careers." The analysis of the distribution of workers' career types by industry reveals the following findings. First, two types of employment systems coexist in Japan's employment society: a "long-term employment-type" system in which workers tend to continue in their first job, as typified by the manufacturing industry, and a "fluid employment-type" system in which workers tend to leave their first job, as typified by the service industry. Second, regardless of industrial sector, most job changes occur during the period from youth to mature age. Therefore, it can be concluded that the employment fluidity in the labor market, which has been gradually recognized since the 1990s, is related to post-industrialization, and that the realities of such "fluid careers" are the weakening of first job continuation typical of the service industry, i.e., the destabilization of young workers' early careers.

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## I. Introduction

Since the 1990s, Japanese society has been in a long-term economic stagnation, and from the 1990s until today, there has been much discussion about the need to reform the "Japanese-style employment practice and system"<sup>1</sup>, which is mainly based on the long-term employment practice, in order to overcome this economic stagnation. The "long-term employment-type" system that brought economic affluence to Japanese society in the past is often criticized today as if it were the reason why Japanese society has been unable to escape from long-term economic stagnation. In this context, a new employment system that is expected to break away from the conventional "long-term employment-type" system is the "fluid employment-type" system, which is based on

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the premise of “fluid employment.”

The shift to a “fluid employment-type” system is reminiscent of the “New Deal shift” (Cappelli 1999) that the United States experienced in the 1980s. To cope with the recession caused by the second oil shock in 1979, U.S. companies at that time attempted to make a shift from the employment through the internal labor market (long-term employment-type system), which was the Old Deal, to the one through the external labor market (fluid employment-type system) as the New Deal (Ibid.).

The question of whether such a New Deal shift could occur, or had already occurred, in Japan became a topic of great academic interest around the 2000s (Sugeno 2004). Subsequent studies have pointed out, however, that the long-term employment practice has not changed significantly, especially in large manufacturing companies, and that although the number of non-regular employees has increased noticeably since the 1990s, the “long-term employment-type” system has not changed dramatically in the labor market centering on regular employment (Takahashi 2018; Kambayashi 2017). On the other hand, it is also true that the industrial structure of the Japanese economy has certainly changed due to “post-industrialization” since the 1970s (Inagami 2005). Even if the New Deal shift has not occurred in major sectors such as large manufacturing companies, it is not surprising that these new industries have adopted a “fluid employment-type” system.

From the perspective of workers’ careers, how can we understand the “long-term employment-type” and “fluid employment-type” systems? Under the “long-term employment-type” system, a worker will continue to work for one company for a long period of time, and a “long-term career” is typical. On the other hand, under the “fluid employment-type” system, more workers change jobs, and workers change jobs more frequently, and as a result, the length of time during which a worker works for one company becomes shorter, and a “fluid career” in which workers work for multiple companies over the course of their lives becomes more typical.

However, it is insufficient to view the fluidity of workers’ careers simply as an increase in job changes. A “long-term career” based on Japanese employment practices is to continue the first job one takes after graduating from school (first job) until retirement. The important aspect is that continuing in the first job results in long-term employment. In light of this, the aspect of the fluidity of workers’ careers as an increase in separation from one’s first job (weakening of first job continuation), rather than a mere increase in job changes, becomes important. Furthermore, job changes at a young age and job changes at middle age or older have qualitatively different implications. Therefore, when comparing the “long-term employment type” and the “fluid employment type” systems in terms of workers’ careers, it is important to consider the perspective of careers as dynamic occupational mobility over the life course and the timing of leaving the first job, which is the starting point of such mobility.

This study aims at depicting aspects of today’s employment society from the perspective of the careers of workers on the labor supply side, focusing on two types of careers: “long-term careers” and “fluid careers” as a weakening of first job continuation. Since the discussions of previous studies indicates that the long-term employment practice is a characteristic of large companies, the subject of analysis in this study will also be workers in large companies.

The structure of this study is as follows. Section II first organizes post-industrialization, an important feature of modern industrial society from the perspective of industrial sociology, and then presents the question to be examined in this study, after organizing the types of workers’ careers from the perspective of social stratification theory. Section III describes the data and analytical strategy used in this study, and Section IV presents the results. Finally, Section V discusses the implications derived from the results of this study’s analysis.

## **II. Post-industrialization and the employment system in terms of occupational mobility**

### **1. Post-industrialization and the employment system**

Around the 1970s, many developed countries were undergoing a shift in industrial structure. This was post-

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industrialization, in which the weight of the industrial structure shifted from manufacturing, which is centered on “making products,” to tertiary industry, which is centered on “producing and providing specialized knowledge, information, and services.”

Two major factors are associated with post-industrialization. The first is technological innovation. For the birth of industrial society, the emergence of large-scale, mechanized manufacturing industry through technological innovation such as the invention of the steam engine played an important role (Tominaga 1965). In the late 1970s, further technological innovations such as automation took place at production sites, and in the 1980s, computers and other office automation equipment were introduced in administrative and back-office departments. The development of information and communication technology during this period, known as the introduction of micro-electronics technology and IT, increased the importance of economic activities that produce “specialized knowledge and information,” which is related to the advent of a post-industrial society (Bell 1973). The tertiary industries, such as the financial industry and the information and communications industry, were among those that developed in the post-industrial society.

Post-industrialization is secondly affected by changes in the composition of the labor force. Another change that occurred from the late 1970s to around the 1980s, when technological innovation further developed, was the entry of women into the labor market. Although it is difficult to assume a clear causal relationship, post-industrialization and women’s entry into the labor market are at least related. In many developed countries during the industrial era, the division of labor was based on gender roles, with men in the breadwinning role and women in the caretaking role, and the employment rate of women was not very high. In post-industrial societies, the development of economic activities that replaced the housework and childcare traditionally performed in the home and family led to the “de-familization of care” that freed women from family care roles and increased the employment rate of women (Esping-Andersen 1999). The household work and childcare traditionally performed by women in the home and family may be substituted by market services or welfare services by the State, and in both cases, the “de-familization of care” can lead to the development of industries such as lifestyle-related services, and medical, health care and welfare. In addition, the fact that the development of these industries makes it possible for care to become less dependent on the family encourages women’s entry into the labor market.

In summary, the industries that will become important in a post-industrial society are the tertiary industries, such as the financial industry and the information and communications industry, which have developed as a result of innovations in information and communication technology, and various service industries that have developed as a result of the “de-familization of care.” A post-industrial society is characterized by the high weight of non-manufacturing industries, and in this context, the development of the service industry is particularly important. Among the non-manufacturing industries, the financial industry, the transport industry, and the information and communications industry are relatively more closely related to the manufacturing industry, which is the mainstay of industrial society, than the service industry. For example, the transport industry is mainly responsible for the distribution of products produced in the manufacturing industry, while the main customers of the financial industry, such as banks, are large manufacturing companies that have supported rapid economic growth. In addition, the information and communications industry helps the exchange of information between companies based on such transactional relationships. For this reason, the tertiary industries in the non-manufacturing and non-service sector, such as the financial, the transport, and the information and communications industries, are sometimes positioned as production auxiliary sectors of the secondary industries (Bell 1973). The opposite extreme of the manufacturing industry, which is the center of industrial society, is the service industry, which includes accommodations; eating and drinking services; lifestyle-related services; medical, health care and welfare.

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## 2. Occupational mobility and the employment system

Social stratification theory focuses on the various occupational backgrounds (careers) that people experience in their lives. However, the concept of “occupation” here is broadly defined, consisting of “job type,” “industry,” “employee status,” and “company size” (Nagamatsu 2018). In modern society, “occupation” is involved in a large part of the formation of people’s socioeconomic status, and the perspective of occupational career is also important in capturing this status attainment process (Hara and Seiyama 1999). In today’s status attainment process, it is important not only what kind of “occupation” a person has, but also how he or she moves from one “occupation” to another throughout his/her life (occupational mobility). Incidentally, this occupational mobility is called intergenerational mobility in sociology, especially in the field of social stratification theory, and is one of the important inequality-generating mechanisms in contemporary society (Takenoshita 2018).

In examining occupational mobility in Japan from the perspective of status attainment processes, it is important to distinguish between two types of mobility: mobility via the internal labor market and mobility via the external labor market (Mugiyama 2018). Occupational mobility through the internal labor market refers to occupational mobility within the same company, of which promotion is the most typical example. Under Japanese employment practices, since new graduates who are hired en masse are given company-led education and training under long-term employment contracts to develop and select them as future executive candidates, upward mobility in the form of promotion has a significant impact on workers’ acquisition of occupational status (Moriguchi 2013; Yashiro 1997). Furthermore, it has been pointed out that the Japanese promotion practice is characterized by a tournament-style selection process. This means that to participate in a promotion race for the highest position, one must have participated in the initial promotion race (Koike 1991). Additionally, the selection process is multilayered. This results in long-term competition through which decisive differences emerge later (Imada and Hirata 1995). In other words, the important process by which people achieve status in the Japanese employment system is through occupational mobility via the internal labor market, in which people continue to work for the same company for a long period of time and increase their occupational status through promotions.

What is characteristic in this occupational mobility via the internal labor market is that under the system of long-term employment and hiring of new graduates en masse, “long-term careers” in which workers continue in their first job until retirement are assumed as a premise (Sugayama 2011). As mentioned above, when long-term education and training are emphasized and when promotions are in the form of tournament selection, long-term service is beneficial to workers’ status attainment. Since companies also value long-term service, hiring new graduates all together at one time becomes a primary strategy for securing new labor. Under such employment practices, the first job is important as the starting point for career formation through occupational mobility via the internal labor market.

Therefore, in “long-term careers,” it is important to pay attention not only to the aspect of long-term service, but also to the continuation of the first job. Incidentally, social stratification theory has paid special attention to the role played by the stage of first job in the process of people’s status attainment (Blau and Duncan 1967) and has paid particular attention to the “transition from school to work,” the route to first job (Rosenbaum et al. 1990). Since opportunities for occupational mobility via the internal labor market are particularly open to white-collar workers of large companies, whether one can attain such occupational status in one’s first job also determines status attainment later in one’s career (Hara and Seiyama, 1999).

Traditionally in Japan, schools have been involved significantly in the acquisition of first jobs by new school graduates, and many young people have transitioned into the workplace steadily and without interruption, without experiencing unemployment after graduation (Kariya 1991; Sugayama 2011). Since the 1990s, however, increasing attention has been brought to the destabilization of young people’s early careers, including an increase in the number of so-called “freeters” (temporary or part-time young workers who are neither housewives nor students), young non-regular workers, and young unemployed due to the recessionary period (Genda 2001;

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Kosugi 2010; Ota 2010; Tarohmaru 2009). It has been pointed out that when young people's transition from school to the workplace is not smooth and there is an intermission, or when their first job is in a non-regular employment, they are also placed at a disadvantage in later career formation and in attaining occupational status (Kagawa 2011; Sato 2011; Ishida 2021). In "long-term careers," the continuation of the first job is important from the perspective of the status attainment process. If a weakening of the tendency to continue in the first job is observed, it can be regarded as a weakening of the "long-term careers." In particular, the destabilization of young people's early careers mentioned above partly means that the tendency to continue in the first job in a stable occupational status of regular employment is weakening, and this is one basis for suggesting that the employment system is changing to one based on "fluid employment."

On the other hand, a typical example of occupational mobility via the external labor market is job change. Basically, occupational mobility across companies is called job change. The process of attaining status through occupational mobility via the external labor market has not been sufficiently studied until now, but in recent years, more attention has been paid to the career effects of job change or job separation experiences. According to previous studies, opportunities to achieve status through occupational mobility via the external labor market in Japan are limited, and in many cases, job change and job separation experience work to the worker's disadvantage with respect to career formation and income (Kondo 2010; Mugiya 2018).

However, it is not sufficient to view "fluid careers" solely from the perspective of mere generalization of job changes. It is also necessary to view "fluid careers" by focusing on the aspect of first job separation, which is the opposite of first job continuation. In a "fluid employment-type" system, it is typically believed that job changes increase and the length of service decreases. This idea focuses mainly on the aspect that the generalization of job changes shortens the retention period of workers per company. However, when contrasted with the "long-term career" in terms of the status attainment process described above, the "fluid career" is characterized not only by an increase in all types of job changes, but also by leaving of the first job, which is the starting point of internal labor market career formation. While there is no limit to the number of job changes a person can experience in his/her life, a person basically leaves his/her first job only once in his/her life, and the first job change is the first job separation. It has been pointed out that along with the destabilization of young people's early careers since the 1990s, early job separation and the transition experience from a first job to a second job, that is, first job separation, has increased among young people (Iwawaki 2017; Kagawa and Nishimura 2015; Kurosawa and Genda 2001). The fluidity of workers' careers must first be viewed from the aspect of first job separation.

Previous studies have pointed out that such first job separation and young workers' early job separation are particularly common in the service industry and service jobs (Iwawaki 2017; Kobayashi et al. 2014). As a reason for the high rate of early job separation in the service industry, Kobayashi et al. (2014) points out that the employment systems in the service and manufacturing industries are different. In other words, companies in the manufacturing industry adopt an employment system in which new graduates are trained over the long term, resulting in low early job separation rate among young people, while companies in the service industry do not adopt such a training strategy and place more emphasis on hiring workers who can immediately start work than on retaining new graduates, making it difficult to control early job separation among young people.

### **3. Question: Relationship between types of careers and post-industrialization in terms of first job continuation**

Based on the above discussion, this study will conduct the following two analyses to depict aspects of today's Japanese employment society.

First, workers' careers are classified into types in terms of first job continuation and first job separation, to examine how these types of careers differ by industry. Of course, it is important to ascertain the percentage of workers who continue in their first job among all workers, but the focus of this study is on inter-industry



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comparisons of workers' tendency to continue in their first job. The discussions of previous studies have confirmed the characteristics of a "long-term employment-type" system in the manufacturing industry today (Takahashi 2018). However, it has not been fully examined whether similar trends are observed in the tertiary and service industries, which have emerged as a result of the social change of post-industrialization. What is focused on here is the trend of first job continuation as a "long-term career" and the trend of first job separation as a "fluid career," i.e., "not continuing in the first job taken after graduation (first job)." Based on the discussions of previous studies, it is possible to observe the characteristics of a "fluid employment-type" system in the tertiary and service industries, i.e., the type of workers' careers in which they have a "weak tendency to continue their first job (strong tendency to leave their first job)." In addition, to anticipate the results, it was found that two types of employment systems coexist in Japan today: a "long-term employment-type" system centered on the manufacturing industry, and a "fluid employment-type" system centered on the service industry.

Second, it is not surprising that many people in all industries have changed jobs, and an attempt is made to clarify at what age stage the first job separation occurs among those who have changed jobs. As mentioned previously, leaving one's first job plays an important role as the starting point of career formation via the internal labor market, but its meaning is completely different when it occurs at a young and mature age or when it occurs at middle age and older. As mentioned above, career instability has been pointed out since the 1990s, especially among young people, and one of the reasons for first job separation during this period is that there was a mismatch between workers and occupations at the time of their first job during the economic recession (Kurosawa and Genda 2001). Although leaving one's first job at a young age, which includes the search for a suitable job, is certainly a weakening of first job continuation, it is not necessarily in complete conflict with the "long-term career," because workers are likely to remain in their second and subsequent jobs after their first job for a long period of time. On the other hand, the first job separation that occurs in middle-aged or older workers who have accumulated a certain amount of service in their first job not only proportionally shortens the length of their services in their second job, but also means that they have abandoned the opportunity for upward mobility via the internal labor market just before gaining it, and thus the degree of weakening of first job continuation is greater, which is considered to be most in conflict with a "long-term career." From this perspective, comparison is made across industries in terms of what age the first job separation occurs, which is characteristic of workers in "fluid careers." It is important to identify whether the "fluid career" that is typical of the service industry clarified in the first analysis can be viewed as the fluidity of early career at a young age, as pointed out in previous studies, or whether it is the fluidity of career in middle and older age that completely conflicts with the "long-term career."

### III. Method of analysis

This section describes the data and sample used. The data used is the "Survey on Occupation and Working Life" conducted in 2019 by the Japan Institute for Labour Policy and Training (hereafter referred to as the "Survey on Working Life"). The "Survey on Working Life" targeted 12,000 men and women, aged 25–64, randomly selected from the Basic Resident Register nationwide, regarding individual employment behavior, including retention in companies and leaving or changing jobs, in terms of both work and daily life (JILPT 2022). Since the "Survey on Working Life" is characterized as a labor version of a comprehensive social survey, so to speak, it covers individuals in a wide range of age groups, but in this study, the analysis is limited to those aged 30–59 who work for large companies (with 300 or more employees).<sup>2</sup> As this study has previously discussed, the long-term employment practice is essentially a characteristic of large companies, while small- and medium-sized enterprises (SMEs) are by nature more fluid. In addition, career fluidity may be extremely high for younger and older age groups. In examining the question of this study, it is important to analyze whether the coexistence

of “long-term employment-type” and “fluid employment-type” careers can be confirmed even when focusing on the careers of the working-age group (30–59) working for large companies. As described below, while using this age group as a reference, each analysis will target a different sample population depending on the question to examine.

Next, the analytical strategies and variables are explained. The analysis in this study is divided into two main parts. The first is a comparative analysis of the career distribution of workers between industries. Here, the sample subject to analysis is workers aged 30–59 whose first job was a regular job and who are currently being employed and working for large companies (with 300 or more employees). The “Survey on Working Life” asks all survey respondents for information on their first, previous, and current jobs, allowing us to use individual work history information, although it is not completely exhaustive. This information is used to categorize workers’ careers into three types: “continued first job,” “changed jobs once,” and “changed jobs twice or more times.” Since the important factors in the comparison of “long-term careers” and “fluid careers” considered here are first job continuation and first job separation, the case of non-regular workers in their first job whose careers are already considered to be unstable at the time of their first job is not used in this analysis. However, since the type of employment in the current job is not specifically limited here, the case of a career change from “first regular job to current non-regular job” is also included because it is considered that there is no major difference from the case of a career change from “first regular job to current regular job” in terms of leaving the first job.

Next, the age at which the first job separation and entry into current employment occurred is analyzed for the sample of workers aged 30–59 whose first job was a regular job and who are currently being employed and who have changed jobs (first-job leavers). In terms of the workers’ career types, these cases fall into the categories of “changed jobs once” and “changed jobs twice or more times.” Comparison is made by industry as to the ages of first job separation and entry into current employment for those who have changed jobs. Through this analysis, the actual state of fluidity observed today can be ascertained.

“Industry,” commonly used in the above analyses, is the most important variable in this study. While detailed categories should normally be used whenever possible, due to sample size limitations, the industrial sectors used in this study are as shown in Table 1.

Table 1. Variables for industries used in analysis

Industry	Abbreviations in figures
Construction; manufacturing	Construction / manufacturing
Finance and insurance; real estate and goods rental and leasing	Finance and insurance / real estate / rental and leasing
Transport and postal services; information and communications; mass media	Transport and postal services / information and communications
Wholesale and retail trade; accommodations; eating and drinking services; entertainment; and services, N.E.C.	Wholesale and retail trade / accommodations / eating and drinking services / services, N.E.C.
Medical, health care and welfare; education, learning support; professional and technical services	Medical, health care and welfare / education, learning support / professional and technical services

Source: Created by the author.

First is the secondary industry, consisting of construction and manufacturing, where the long-term employment practice is stable. Next, finance and insurance; real estate and goods rental and leasing industries are considered as one category in the sense that they are industries of “managing and trading assets.” Furthermore, transport and postal services; information and communications; mass media industries are placed in the same category because of their similarity as industries that “communicate and transport people, goods, and information.”

The service industry is divided into two major categories. One category consists of interpersonal services that involve dealing with customer service and sales, such as wholesale and retail trade; accommodations; eating and drinking services; entertainment; and services, N.E.C., where workers are often relatively low-skilled. The other is the broadly defined professional services category, which includes medical, health care and welfare; education, learning support; professional and technical services.

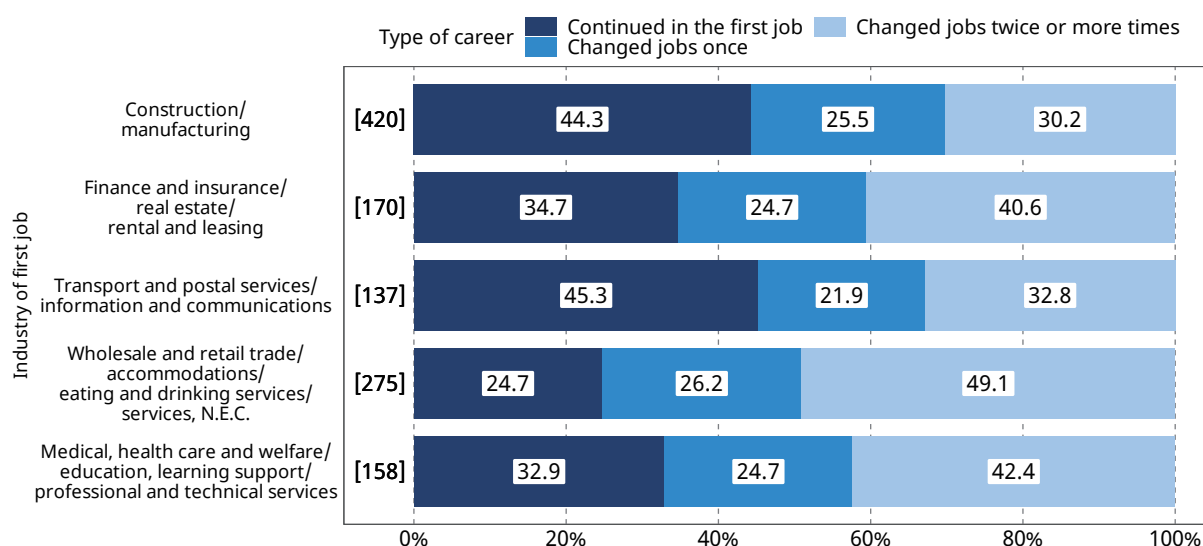
The public sector, which is a public service or a business of “government office/public office;” agriculture, forestry, and fisheries; mining and quarrying of stone and gravel; electricity, gas, heat supply, and water supply; and other industries are excluded from the analysis because they are not the primary interest of this study.

#### IV. Analysis results: “Fluid careers” and their realities

##### 1. The “long-term employment-type” sector and the “fluid employment-type” sector

First, the results of the analysis of inter-industry comparisons of workers’ career distributions are reviewed. Figure 1 shows the percentage of each type of workers’ careers by industry of first job.

The industries with the highest percentages of “continued first job” are “construction; manufacturing” and “transport and postal services; information and communications” with at least 40% of workers who entered these industries for the first time are still continuing their first job today. The next two sectors with the highest percentages of “continued first job” are “finance and insurance; real estate; rental and leasing” and “medical, health care and welfare; education, learning support; professional and technical services.” While more than 30%



Source: Created by the author based on the “Survey on Working Life.”

Note: Limited to workers aged 30–59 in large companies. The number of samples (N) is shown in parentheses.

Figure 1. Distribution of career types by industry of first job



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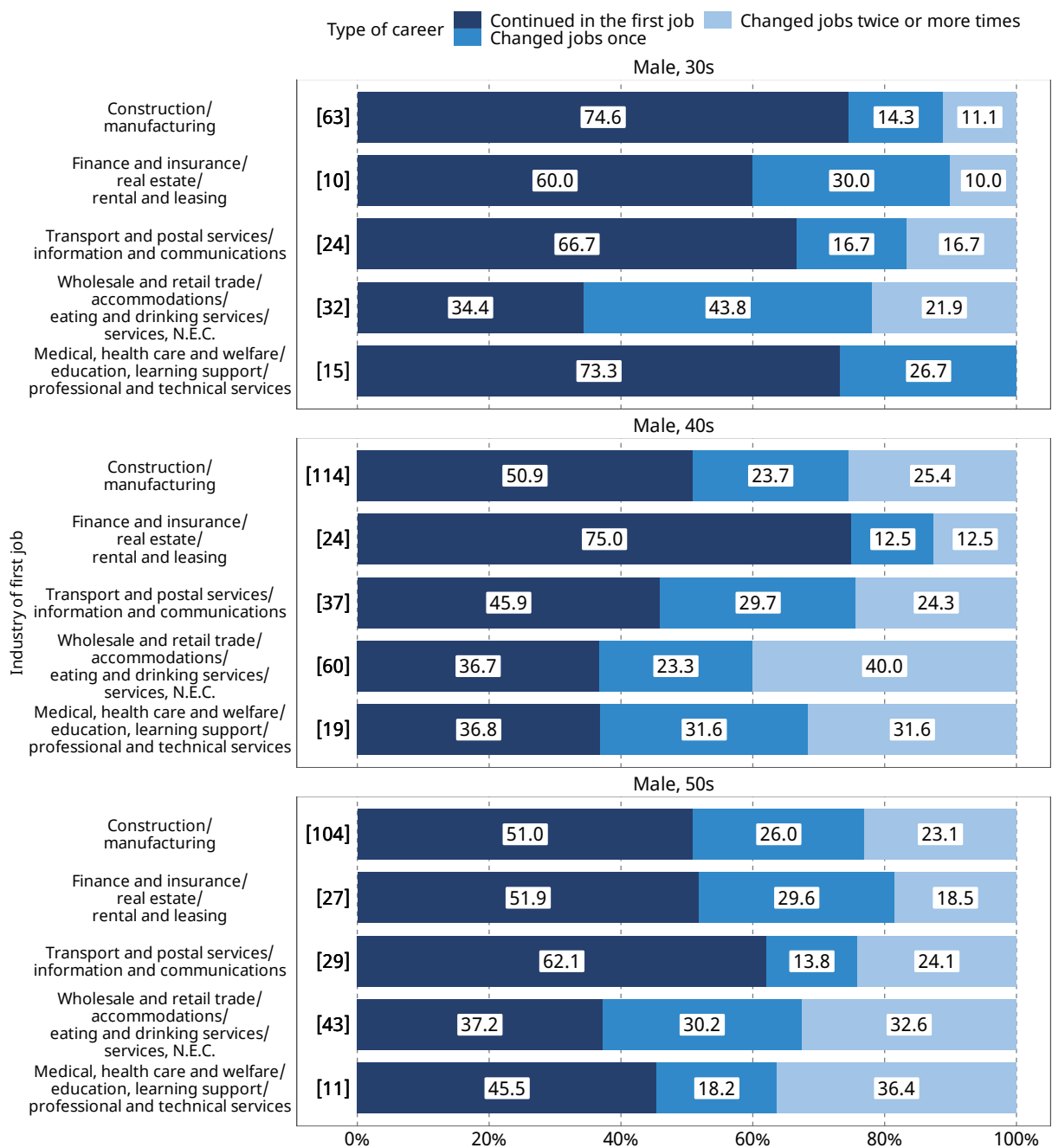
of workers who entered these industrial sectors as their first job are still in their first job, about 40% have changed jobs twice or more times since then. The percentage of “changed jobs twice or more times” is high in the “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.” category, meaning that more than half of the workers who entered this industrial sector as their first job have changed jobs twice or more times since then. The above indicates that “construction; manufacturing” and “transport and postal services; information and communications” sectors fall into the “long-term career” category, with a predominance of workers who have “continued first job,” while the “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.” sector has the lowest percentage of “continued first job” and falls into the “fluid career” category.

Therefore, the difference between the two industrial sectors suggests that the coexistence of “long-term employment-type” and “fluid employment-type” systems can be observed between the manufacturing and service industries in particular. In addition, Figure 1 shows that “transport and postal services; information and communications,” which is a non-manufacturing sector, also has the characteristics of the “long-term employment-type,” suggesting that a “long-term employment-type” system may exist outside of the manufacturing industry as well. The “finance and insurance; real estate; rental and leasing” and “medical, health care and welfare; education, learning support; professional and technical services” industries have a mixture of both “long-term employment” and “fluid employment” characteristics in Figure 1, making it difficult to clearly distinguish them at this stage.

Next, the distribution of workers’ career types is analyzed by gender and age group (Figure 2 and Figure 3). First, it is shown that the trends differ significantly by gender. Simply put, in many industries, men are more likely to have “continued first job,” while women are more likely to have “changed jobs twice or more times.” This trend is particularly pronounced among workers in their 40s and 50s, indicating that women are more likely to interrupt their employment or change jobs due to their life stage. Of particular interest is whether there are differences in the distribution of career types by industry of first job among men, for whom long-term employment is expected as the norm.

First, looking at the first job continuation rate for “Male, 30s” (Figure 2), the rate is highest for “construction; manufacturing” and “medical, health care and welfare; education, learning support; professional and technical services” and lowest for “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.” Next, according to the results for “Male, 40s,” there are two types of industrial sectors: the “long-term employment type,” consisting of the “construction; manufacturing” and “transport and postal services; information and communications” sectors, which have relatively high rates of first job continuation, and the “fluid employment type,” consisting of the “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.” and “medical, health care and welfare; education, learning support; professional and technical services” sectors, which have relatively low rates of first job continuation. The “finance and insurance; real estate; rental and leasing” sectors can be classified into the same group as the “long-term employment type” in terms of the high rate of first job continuation, which is an extreme value. The same tendency as above can be observed in the results for “Male, 50s.” However, the first job continuation rate in “medical, health care and welfare; education, learning support; professional and technical services” is just in between the rates in the other two age groups, but this group has the highest rate of “changed jobs twice or more times,” indicating that the characteristics of the “fluid employment type” are somewhat stronger among this group.

Finally, the results for females are briefly discussed (Figure 3). The percentage of females who have “changed jobs twice or more times” is high in general, and in particular, this tendency increases with age in all industrial sectors. Although it is somewhat difficult to distinguish differences among industrial sectors in the results for females, who generally have a low rate of first job continuation, with a relatively high rate of first job continuation



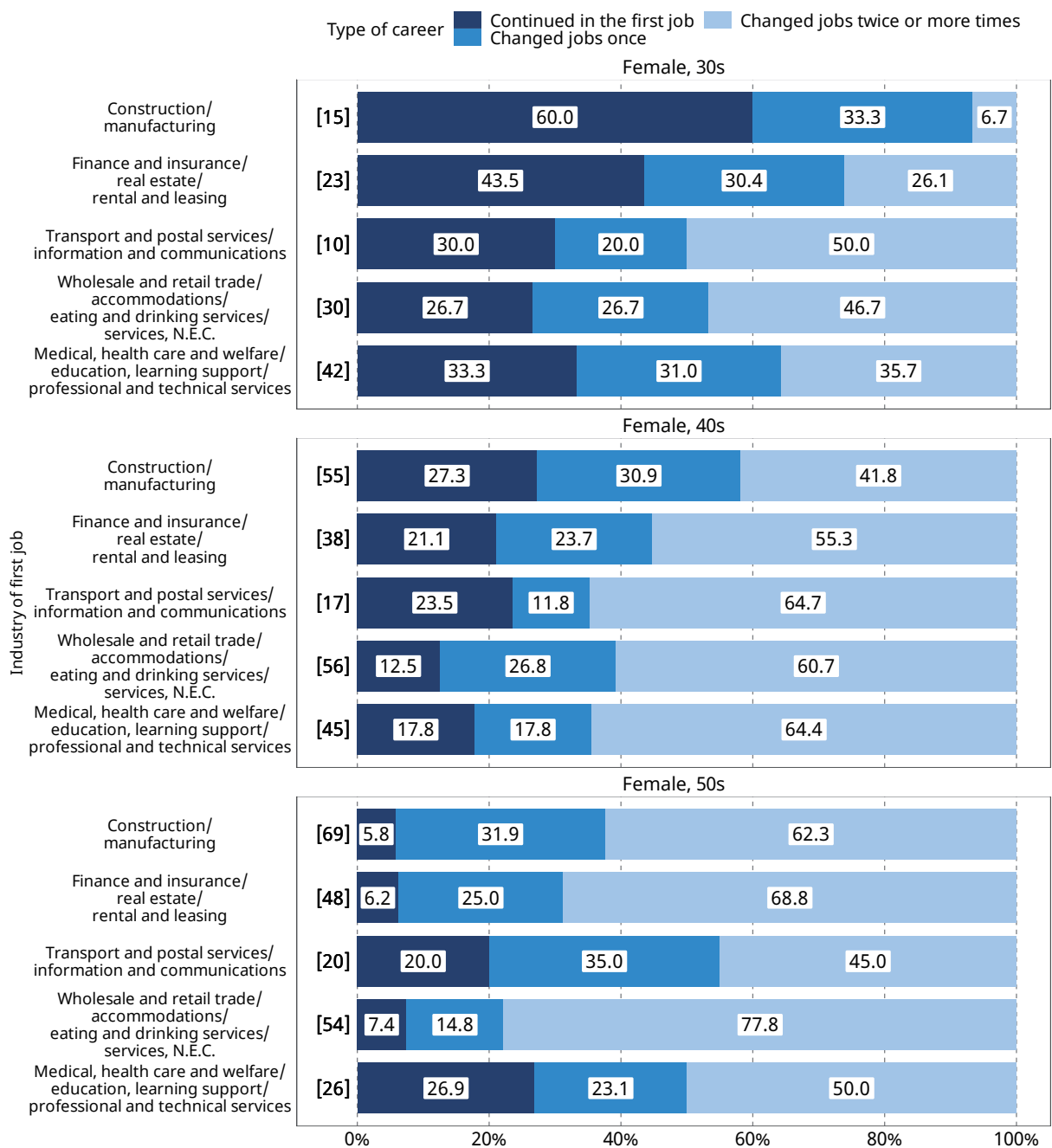
Source: Created by the author based on the “Survey on Working Life.”

Note: Limited to workers aged 30–59 in large companies. The number of samples (N) is shown in parentheses.

Figure 2. Distribution of career types by industry of first job and age group (male)

in the “construction; manufacturing” sector and a low rate in the “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.” sector, the trend itself is the same as for males.

The results of the above analysis, focusing mainly on males, can be summarized as follows. First, the career distribution of workers in all age groups differs across industrial sectors. The typical contrast between “long-term employment type” and “fluid employment type” is most pronounced in the comparison between the

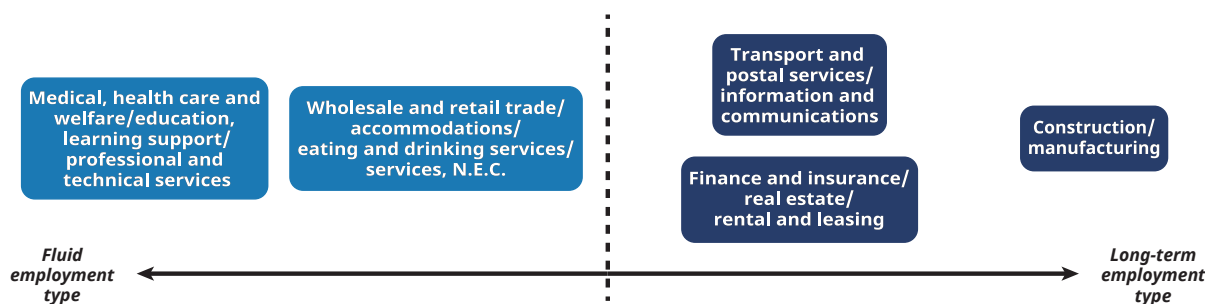


Source: Created by the author based on the “Survey on Working Life.”

Note: Limited to workers aged 30–59 in large companies. The number of samples (N) is shown in parentheses.

Figure 3. Distribution of career types by industry of first job and age group (female)

“construction; manufacturing” sector, where the first job continuation rate is high, and the “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C” sector, where the first job continuation rate is low and the number of job changes is high. The contrasting characteristics of the two industrial sectors were confirmed in both analyses for males and females. In other words, as discussed in Section II of this study, the “long-term employment-type” system is consistent with the manufacturing sector, while the “fluid



Source: Created by the author.

Figure 4. Types of industrial sectors

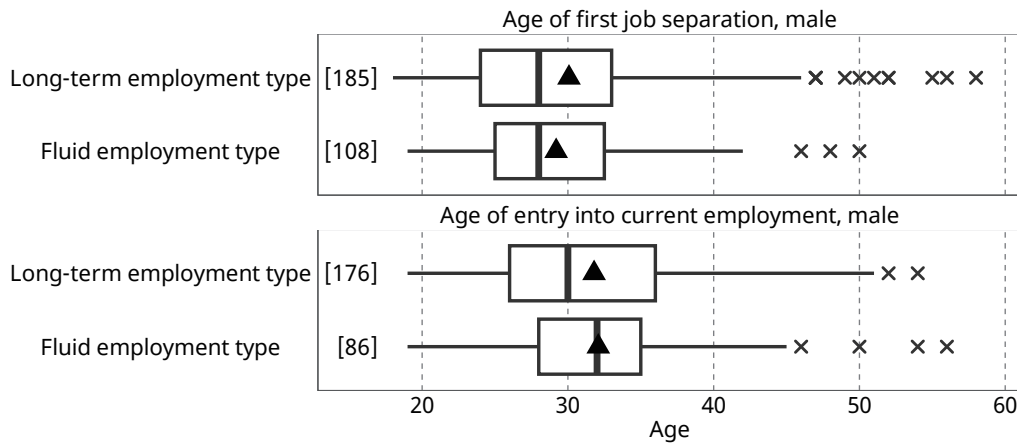
employment type” system is consistent with the service industry. In the results of the analysis limited to males, the first job continuation rate in the tertiary industries of the non-manufacturing sector, “finance and insurance; real estate; rental and leasing” and “transport and postal services; information and communications,” is as high as in the “construction; manufacturing” sector, suggesting that these tertiary industries are characterized as “long-term employment type.” In addition, the first job continuation rate is not necessarily as low in “medical, health care and welfare; education, learning support; professional and technical services,” another service industry, as in the case of “wholesale and retail trade; accommodations; eating and drinking services; and services, N.E.C.,” and in this sense it cannot be said that the industry is clearly “fluid employment type,” but the percentage of “changed jobs twice or more times” is particularly high among male workers in their 50s, indicating that the characteristics of “fluid employment type” are rather strong.

Figure 4 shows a summary of the above types of industrial sectors. If these industrial sectors are roughly divided into two, “construction; manufacturing,” “finance and insurance; real estate; rental and leasing” and “transport and postal services; information and communications” are included in the “long-term employment-type” category, and the remaining service industries are included in the “fluid employment-type” category. Therefore, looking at the career distribution of workers, it can be said that these two employment systems are coexisting.

## 2. Realities of employment fluidity

Next, the results of the analysis of the actual status of “fluid careers” are reviewed. First, the actual situation of employment fluidity is examined from the aspect of age of first job separation and age of entry into current employment, focusing only on those who have changed jobs. As discussed in Section II of this study, by looking at the age of first job separation, it is possible to confirm whether the first job separation constitutes destabilization of young people’s early career. However, the age of first job separation can only capture the first job change in a career, and is insufficient for evaluating the fluidity of job changes as a whole. Therefore, the age of entry into current employment is also checked as a reference.

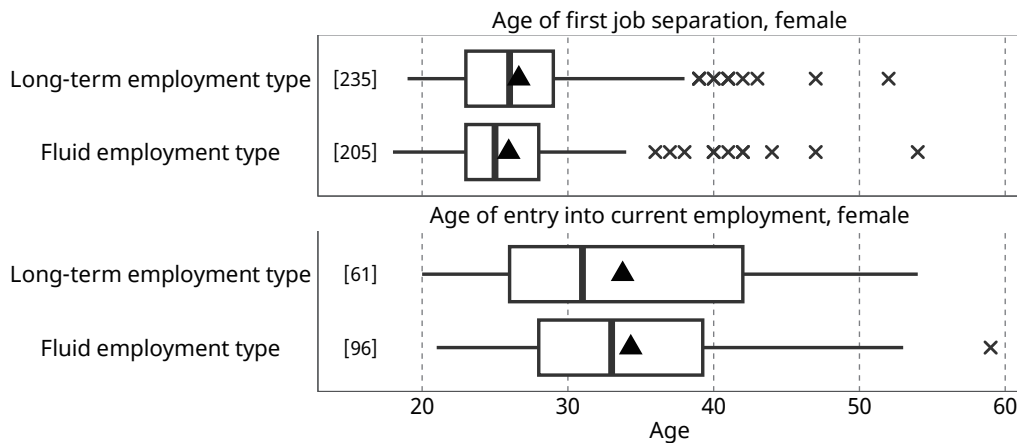
Figure 5 shows the age at which men who have changed jobs left their first job and entered their current job by a box-and-whisker plot.<sup>3</sup> The triangles in the figure indicate the average value. First, the distribution of age of first job separation for males is reviewed. There is almost no difference in the distribution of age of first job separation between the “long-term employment type” and the “fluid employment type.” Looking at the average and median values, first job separation occurs between the late 20s and 30s in both industrial sectors. The interquartile range shows that first job separation for males occurs roughly between the ages of 24 and 33,



Source: Created by the author based on the "Survey on Working Life."

Note: Limited to workers aged 30–59 in large companies. The number of samples (N) is shown in parentheses. The triangles in the figure indicate the average value, the left side of the box indicates the first quartile, the right side indicates the third quartile, and the thick line in the center indicates the second quartile (median). The whiskers on the left and right sides indicate the first quartile from the smallest value and the third quartile from the largest value, respectively, and x marks indicate outliers.

Figure 5. Age of first job separation and age of entry into current employment among workers who have changed jobs (male)



Source: Created by the author based on the "Survey on Working Life."

Note: Limited to workers aged 30–59 in large companies. The number of samples (N) is shown in parentheses. The triangles in the figure indicate the average value, the left side of the box indicates the first quartile, the right side indicates the third quartile, and the thick line in the center indicates the second quartile (median). The whiskers on the left and right sides indicate the first quartile from the smallest value and the third quartile from the largest value, respectively, and x marks indicate outliers. Figure 6. Age of first job separation and age of entry into current employment among workers who have changed jobs (female)

Figure 6. Age of first job separation and age of entry into current employment among workers who have changed jobs (female)

regardless of industrial sector.

Furthermore, the age at which males entered their current employment is not significantly different from the above trend. Since the age of entry into current employment captures the last job change experienced at this point in one's career, the age of entry into current employment is naturally higher for those who have changed jobs

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more frequently. However, the average and median values for the age of entry into current employment are still in the early 30s for the two industrial sectors, indicating that job changes among middle-aged and older workers in terms of age of entry into current employment are quite rare.

From these facts, it can be said that the job changes currently observed are basically those occurring from youth to mature age, representing early career fluidity at a young age. Furthermore, the characteristics of this trend are also highlighted when compared to the results for females (Figure 6). In the case of females as well, although first job separation itself is a characteristic of young adulthood, the dispersion of the age of entry into current employment is larger than that of males, with the third quartile being around 40 years of age. In other words, it is basically females who experience job changes in middle and older age, and females' careers are positioned as "fluid employment type," which is the opposite extreme of the "long-term employment type." The "fluid career" observed among males as destabilization of their early careers is in conflict with the "long-term career" in terms of continuing in their first job, but it does not negate retention at the place where they changed jobs. Focusing on the results for males, it can be said that the employment fluidity observed today is only caused by the weakening of the tendency to continue in the first job, which is different from the image of the fluidity of the overall labor market as in Anglo-Saxon countries.

## V. Discussion: Coexisting employment systems and the weakening of first job continuation

In this study, analysis was made as to whether the coexistence of "long-term employment-type" and "fluid employment-type" systems can be confirmed by focusing on the careers of individual workers. The findings are as follows.

- (1) Construction; manufacturing; finance and insurance; real estate and goods rental and leasing; transport and postal services; information and communications; mass media industries are classified as "long-term employment-type" sectors with a high proportion of workers who continue their first job in their career. Wholesale and retail trade; accommodations; eating and drinking services; entertainment; and services, N.E.C.; medical, health care and welfare; education, learning support; professional and technical services are classified as "fluid employment-type" sectors with a low percentage of those who continue their first job in their career.
- (2) Regardless of industrial sector, most job changes occur from young to mature ages, and the realities of employment fluidity are the weakening of the tendency to continue in the first job, i.e., the destabilization of young people's early careers.

The stability of long-term employment practice in the manufacturing industry, which has been frequently pointed out in previous studies, was confirmed in the careers of workers. Furthermore, the characteristics of the "long-term employment type" were observed not only in the manufacturing industry, but also in the tertiary industries other than manufacturing, such as financial, and transport industries. Non-manufacturing and non-service tertiary industries, such as finance; transport; information and communications emerged as auxiliary sectors to the production sector as the exchange of goods, money, and information became more complex along with the development of industrial society (Bell 1973). In other words, companies in the financial, transport, and information and communications industries have traditionally had close business relationships with companies in the manufacturing sector (Inagami 2005), and it is therefore not surprising that similarities can be seen in their employment systems.

On the other hand, in contrast to these industries, the service industry showed characteristics of "fluid careers." However, the realities of this employment fluidity are not that job changes occur in middle-aged and



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older workers, but rather that relatively more workers change jobs, i.e., leave their first job, at a younger age. At first glance, this weakening of the tendency to continue in one's first job appears to be contrary to the "long-term careers" characterized by continuation in one's first job. However, long-term retention may occur in the second job and beyond. As discussed in Section II of this study, from the perspective of occupational mobility, the characteristic of "long-term careers" is to continue in the first job and aim for advancement of occupational status within the same company. In the case of "fluid careers," which are truly in opposition to "long-term careers," the fluidity observed there would have to be, for example, the generalization and increase in job changes in middle and older age. However, the realities of today's employment fluidity are only the increasing tendency of young people to leave their first job.

Relating these findings to post-industrialization, the employment fluidity in the labor market that has been gradually recognized since the 1990s can be partly attributed to the fact that the share of the service industry, which has a weak tendency to continue in first job, has been expanding amid changes in the industrial structure. Based on the results of this study's analysis, it was by no means a shift in the overall labor market employment system from a "long-term employment type" to a "fluid employment type." Rather, the two employment systems coexist.

Finally, the implications of the weakening of the tendency to continue in first job and the destabilization of young people's early careers are explained. The latest youth labor studies indicate that the tendency of young people to "stay away from work" (i.e., not want to work if possible) is on the rise today, and that among young workers who continue in their first job as regular employees, an increasing number are unsure of the job for which they are suited and feel hesitant about their career choice (Hori et al. 2022). The weakening of the tendency to continue in first jobs and the destabilization of young people's early careers identified in this study are thought to be related to this "tendency to stay away from a job" among young workers and their growing hesitation in choosing an occupation. In other words, workers themselves are concerned about whether they can position the job they obtained after graduation as the starting point of their subsequent occupational career, and this is thought to be driving their job search activities at a young age and contributing to the weakening of their tendency to continue in their first job.

In order to capture the transformation (fluidity) of the employment system, taking into account the dynamics of status attainment in the career of individual workers, it is important to consider the question of whether job changes are or will become more common in middle-aged and older workers, rather than whether workers are leaving their first job at a young age (weakening of first job continuation).

This paper is based on Chapter 4 (written by Kota Tagami) of *Koyō ryūdōka to Nihon keizai: howaito karā no saiyō to tenshoku* [The employment fluidity and Japanese economy: Hiring and job changes of white-collar workers], JILPT 4th Project Research Series No.6 (March 2023, in Japanese).

#### Notes

1. See Takahashi (2018) for a discussion of the characteristics of the Japanese employment system and changes in recent years.
2. In order to align the size of companies for comparison, in this study, companies in the service industry with 300 or more employees are treated as large companies, as in the case of manufacturing companies. Under this criterion, companies in the service industry with 100–299 employees, which are included in large companies under the general definition of SMEs, are classified as SMEs. In other words, among the large companies in the service industry in general, larger companies are considered to be large companies for the analysis in this study. However, since comparing companies with different sizes of organizations may lead to misunderstanding of the results, an attempt is made to align company sizes across industries.
3. A box-and-whisker plot is a graph presenting the overall dispersion of the data using the four quartiles and the lowest and highest values. The quartiles are the positions at which the entire distribution is divided into four equal parts when the data points are arranged from lowest to highest. The first quartile represents 1/4 from the lowest figure, the second quartile (median) is 2/4 from the lowest, and the third quartile is 3/4 from the lowest. The data portrayed as a "box" is that which falls within the range from the first to the third

quartile. In other words, half of the cases from all data take values that fall within the range of this box. The difference obtained by subtracting the first quartile from the third quartile is called the interquartile range (IQR). The dividing line in each box represents the median value (the second quartile). The lines (whiskers) on either side of each box represent the range from the first quartile to the lowest value and from the third quartile to the maximum value, respectively. The x marks in the Figure 5 and Figure 6 indicate outliers. Values that are smaller/larger by  $1.5 \times$  IQR than the first quartile/third quartile are regarded as outliers. The statistical software R was used to prepare the box-and-whisker plot.

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