Article

Changing Jobs among Middle-aged Workers in Japan: What Affects Workers' Personnel Treatment and Utilization of Skills and Knowledge at a New Job

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I. Introduction

In the government's 2019 Basic Policies for Economic and Fiscal Management and Reform ("Big Boned Policy"), the promotion of mid-career hiring of experienced workers was stated as part of the Reforms to Social Security System for All Generations. The number of full-time workers who changed jobs is on the rise, with an increasing number changing jobs to larger companies and the middle age group, which has been viewed as established compared to the younger and senior age groups.

The increase in the number of middle-aged workers changing jobs may indicate that the structure and targets of the long-term, stable employment in Japanese companies are gradually changing. In order to determine the future employment system and to promote mid-career hiring, it is necessary to understand the actual situation regarding job changes among middle-aged workers. This study sets an analytical task with the trend of job change in Japan, especially among middle-aged workers, as well as the previous studies in mind, and reanalyzes data of the "Survey on Job Change, Skill Development, and Career Formation of Middle-Aged Workers" conducted in December 2020 by the Japan Institute for Labour Policy and Training (JILPT). This article presents some of the analysis from the survey result based on 2,590 respondents (1,974 males and 616 females) who changed jobs, were 35 years old or older, and had a full-time job both currently and previously.

II. Attention to job changes and mid-career hiring with increasing trends in mid-career change

Job changes or mid-career hiring have been drawing increasing attention in recent years. In 2019, the Japanese Government set a goal of promoting mid-career hiring and employment of experienced workers together with other important policies such as securing employment opportunities up to the age of 70, as announced in the "Big Boned Policy." In 2020, the Act Partially Amending the Employment Insurance Act was enacted. Under this Act, as of April 1, 2021, enterprises with 301 or more regular employees are required to disclose the ratio of mid-career hires to total number of regular employees hired in each of the past three fiscal years. In January 2022, the Japan Business Federation (Keidanren, Japan's leading business association) recommended that enterprises promote more opportunities for career-oriented job change by "creating environments conducive to independent career development," "clarifying the types of human resources enterprises are seeking," and "expanding the number of positions available to mid-career and experienced workers" (Keidanren 2022: 41).

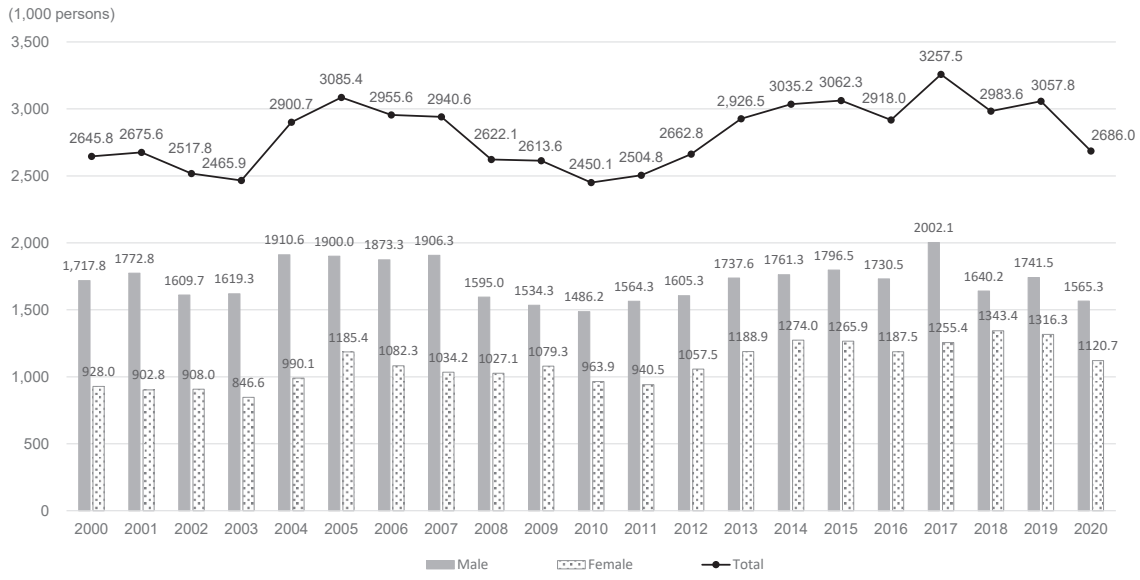
What are the trends in the number of mid-career hiring and job changes? The Ministry of Health, Labour and Welfare (MHLW)'s "Survey on Employment Trends" shows annual data on the number of workers changing jobs by size of enterprise, age and sex of workers, and other attributes. Here, let us examine recent trends in the mid-career hiring of full-time workers, most of

whom are regular employees. Figure 1 shows the number of full-time workers who changed jobs from 2000 onward, in total and by sex. The total number of those changing jobs rose after 2000 and remained at approximately 3 million from 2005 to 2007. The number subsequently declined due to the global financial crisis and the Great East Japan Earthquake of 2011 but began rising again in 2012. The number of those who changed jobs in 2019 was 3.06 million, an increase of about 400,000 compared to 2000.

Examining the number of workers who changed jobs by sex, we find that while the number of male full-time workers has repeatedly risen and fallen, it was in the low 1.7 million range in both 2000 and 2019, with little overall change during this period. On the other hand, the number of female full-time workers who changed jobs has been trending upward since 2000, with a particularly marked increase since 2012, rising to nearly 1.32 million in 2019, about 400,000 more than in 2000. This indicates that the increase in the total number of workers who changed jobs can largely be attributed to the increase in female full-time workers who changed jobs.

It should be noted that the COVID-19 pandemic reduced the number of workers changing jobs, with about 180,000 fewer men and 200,000 fewer women doing so, bringing the total number of workers who changed jobs to 2,686,000, approximately the same level as in 2000. However, since 2000, there have been several instances in which the number of job changes has returned to an upward trend after falling due to economic fluctuations and other factors. Therefore, we can expect the number of workers changing jobs to rise again once the pandemic has subsided and economic activities are restored to some extent under the government's With Corona program of guidelines and countermeasures.

Job changes are increasing in the middle-aged group (35–54 years old). Let us look at numbers by age group (figures omitted). Among male full-time workers who changed jobs, the numbers of those in the 25–29 and 30–34 age groups grew significantly until 2007 and 2008, but have been shrinking since then, and the numbers in 2020 are smaller than those in 2000 for both age groups. On the other hand, the number of workers changing jobs has been trending upward in their 40s since 2000. Specifically, the number in the 40–44 age group in 2020 rose by about



Source: Ministry of Health, Labour and Welfare, "Survey on Employment Trends" (each year).

Figure 1. Numbers of full-time workers who changed jobs (2000–2020, total and by sex)

30,000 from 2000, while the number of in the 45–49 age group rose by about 16,000. As for the overall trends in the middle age group regarding male full-time workers, the weight of the job-change population under the age of 35 has been declining while that of the 40-year age group has been increasing, although it should be noted that the increase in these age groups may reflect the aging of second-generation baby boomers (born between 1970 and 1974). Meanwhile, the number of women changing jobs continues to rise across all age groups. The most significant increase has been among women in their 40s, with the annual number of those who changed jobs increasing by approximately 53,000 in the 40–44 age group and by approximately 64,000 in the 45–49 age group between 2000 and 2020. In addition, the annual number of women who changed jobs in their early 50s has increased by about 20,000 since 2019.

III. Situation of personnel treatment and utilization of skills and knowledge at new jobs

Official statistics show that the number of middle-aged workers changing jobs has been increasing in Japan in recent years. How have their personnel treatment such as the wages and salaries changed as a result of job change? Also, have they been able to utilize skills and knowledge acquired thus far in their new jobs? Let us examine the current situation based on data from the "Survey on Job Changes, Skill Development, and Career Formation of Middle-Aged Workers" conducted by the JILPT in December 2020.

Table 1 shows changes in position or job title after job change for the respondents whose employment status was regular employee both before and after the job change (n=2590). The percentage of

Table 1. Change in position before and after job change

(Unit: %)

		Total	Promoted after job change			Stayed the same		Demoted after job change		
			Given a higher-level position than that before job change	Became employee with title from rank-and-file employee	Total of "promoted"	The same level of position as before	Rank-and-file employee as before	Given a lower-level position than that before job change	Became rank-and-file employee from employee with position	Total of "demoted"
Total respondents analyzed		2,590	10.0	9.9	19.9	22.9	39.9	4.7	12.7	17.4
Male	Age 35–39	185	6.5	10.8	17.3	18.9	47.0	4.3	12.4	16.7
	Age 40–44	599	10.2	13.0	23.2	25.2	34.7	4.5	12.4	16.9
	Age 45–49	624	11.7	10.1	21.8	27.7	30.3	5.4	14.7	20.1
	Age 50–54	566	17.1	8.7	25.8	31.4	21.9	7.8	13.1	20.9
Female	Age 35–39	77	0.0	2.6	2.6	6.5	75.3	2.6	13.0	15.6
	Age 40–44	244	2.0	10.7	12.7	11.5	65.6	0.8	9.4	10.2
	Age 45–49	187	3.7	7.0	10.7	8.6	67.9	1.6	11.2	12.8
	Age 50–54	108	2.8	5.6	8.4	5.6	75.0	0.9	10.2	11.1

Source: JILPT 2022 (p.30).

those who answered that their position had risen after a job change (total of "promoted") was the highest among males in the 50–54 age group. Overall, higher age was positively correlated with the percentage of those who promoted after job change. However, the percentage of those in the 50–54 age group who reported that their positions fell after a job change (total of "demoted") was also higher than that of other age groups. Meanwhile, the percentage of women who promoted after a job change was lower than that of men regardless of age.

As for wages and salaries, monthly salary at the job before the latest job change was compared with current monthly salary for each respondent (Table 2). For those whose employment status was regular employee both before and after a job change, the percentage of males whose monthly wages decreased by 5% or more after the job change was higher, and the percentage whose monthly wages increased by 5% or more was lower, the older they were. In the age group of 40 and above, the same trend was observed for women as for men.

To what extent do workers that change jobs feel that the skills and knowledge they have acquired through previous work experience are being applied in their new jobs? The results of self-assessments by those whose employment status was regular employee both before and after a job change revealed that more than three-fourths felt they "greatly utilized" or "utilized" such skills and knowledge. The percentage of males who felt they utilize their skills and knowledge at the current job increased with age, and this correlation was especially evident among those who answered "greatly utilized" (Table 3).

Table 2. Change in wage level (monthly salary) after job change

(Unit: %)

		Total	More than 20% decrease	5–20% decrease	Total of "decrease" (more than 5% decrease)	No change (less than ±5%)	5–20% increase	More than 20% increase	Total of "increase" (more than 5% increase)	Cannot be calculated
Total respondents analyzed		2,590	9.4	17.2	26.6	29.4	20.5	22.0	42.5	1.4
Male	Age 35–39	185	5.9	13.5	19.4	29.7	24.3	25.4	49.7	1.1
	Age 40–44	599	5.8	17.5	23.3	30.9	20.4	24.2	44.6	1.2
	Age 45–49	624	9.0	17.5	26.5	30.0	19.7	22.9	42.6	1.0
	Age 50–54	566	13.4	17.1	30.5	30.6	19.3	17.1	36.4	2.5
Female	Age 35–39	77	11.7	27.3	39.0	24.7	19.5	16.9	36.4	0.0
	Age 40–44	244	7.8	17.2	25.0	25.0	25.4	24.2	49.6	0.4
	Age 45–49	187	9.6	17.6	27.2	27.3	19.3	25.1	44.4	1.1
	Age 50–54	108	18.5	13.0	31.5	27.8	17.6	18.5	36.1	4.6

Source: JILPT 2022 (p.29).

Table 3. Degree of utilization of skills and knowledge at new job

(Unit: %)

		Total	Greatly utilized	Utilized	Total of "utilized"	Cannot say either way	Not utilized very much	Not utilized at all
Total respondents analyzed		2,590	30.6	45.5	76.1	14.7	5.1	4.2
Male	Age 35–39	185	24.3	43.8	68.1	19.5	7.6	4.9
	Age 40–44	599	30.4	45.9	76.3	15.5	5.2	3.0
	Age 45–49	624	33.7	46.6	80.3	13.0	3.5	3.2
	Age 50–54	566	36.0	44.0	80.0	12.4	4.6	3.0
Female	Age 35–39	77	15.6	58.4	74.0	15.6	2.6	7.8
	Age 40–44	244	26.6	42.2	68.8	16.8	7.0	7.4
	Age 45–49	187	25.1	43.3	68.4	17.1	7.5	7.0
	Age 50–54	108	25.0	49.1	74.1	13.9	5.6	6.5

Source: JILPT 2022 (p.30).

IV. Factors affecting personnel treatment and utilization of skills and knowledge at new jobs

One of the factors that affect worker's situation after a job change is how the enterprise——or the labor demand side as the totality of hiring enterprises——decide to evaluate and position workers' personal attributes such as age and sex. Some previous studies on job changes in Japan have found that the higher the age of workers, the larger the decline in wages and salaries after a job change (e.g., Abe 1996, Yugami 2001). This phenomenon reflects the way enterprises assess mid-career hires with respect to the worker's age.

The age certainly has a significant influence on the personnel treatment. However, it is also possible that differences attributable to individual workers affect their situations after a job change. Here "differences attributable to individual workers" refers to differences in, for example, experience and career, skills and abilities accumulated before the job change, and resources (social networks, opportunities, etc.) that can be utilized when seeking to change jobs. The most prominent study of how these differences affect job change outcomes is Granovetter (1995), which applies the theory of "weak ties." He points out that workers who receive useful information from acquaintances they meet infrequently (i.e., those with whom they have weak ties) have better job change outcomes (Granovetter 1995).

In addition, research on "inter-organizational career development" suggests that activities relating to skill development and career advancement may affect job change outcomes. Inter-organizational career development is defined as "the process by which workers continuously acquire experience and skills related to their career goals as they move between organizations" (Yamamoto 2008). Yamamoto (2008) finds that subjective indicators such as job satisfaction and perception of the degree to which workers meets the employer's expectations (both at a new job), tend to be higher for workers who are confident in their future performance at a new job. This finding suggests that engaging in activities prior to changing jobs that will lead to a state of confidence in demonstrating skills at a new job has a positive impact on job change outcomes. Such activities may include those related to skill development and career formation such as independent learning, obtaining professional qualifications or licenses, and taking advantages of career consulting.

Based on these findings from the previous studies, this research analyzes job changes for middle-aged workers using data of the abovementioned JILPT survey, examining how the following three factors affect personnel treatment and skills and knowledge utilization at a new job: (1) means of gathering information on new jobs, (2) the use of job change agents and the internet, and (3) activities related to skill development and career formation.

(1) Means of gathering information on new jobs

In order to understand the means (routes or channels) by which workers seeking to change jobs obtain information about new employment opportunities, survey subjects were asked which people, organizations, and opportunities they contacted and how many times they did so. Relatively high percentages of respondents contacted "Hello Work," the public employment security offices (49.7%), their "current employer's website" (46.9%), "websites other than that of [their] current employer" (32.4%), "private employment agencies" (30.9%), and "work-related friends and acquaintances" (29.1%) (Table 4). There are differences in the frequency of contact with these organizations and individuals. More than 60% of respondents who contacted Hello Work (31.9% divided by 49.7%) contacted the said offices only once, while nearly 50% who contacted private job placement agencies (14.4% divided by 30.9%) contacted the said agencies five or more times.

Among respondents who contacted other parties, only a negligible percentage contacted the "school they had formerly attended or persons related to the school" (5.1% in total of "only once," "2 to 4 times," and "5 or more times"), "industry or trade associations" (6.0% of the same), "parent company or affiliate of former employer" (6.6%), "client and business partner of current or former employer" (7.6%), or "parent company or affiliate of current employer" (8.2%). It can be said that the school-

Table 4. Means (routes or channels) of gathering information on new jobs by frequency of contact

(Unit: %)

	0 time (no contact)	Only once	2 to 4 times	5 or more times	Total percentage of respondents making contact
Hello Work (public employment security offices)	50.4	31.9	9.2	8.6	49.7
Printed media such as job magazines and classified on newspaper	83.5	7.1	5.1	4.2	16.4
Website of current employer	53.1	17.2	17.6	12.1	46.9
Websites other than that of current employer	67.6	7.9	11.8	12.7	32.4
Family and relatives	81.7	7.5	5.7	5.1	18.3
Work-related friends and acquaintances	70.8	11.8	11.0	6.3	29.1
Non-work-related friends and acquaintances	82.7	7.9	6.0	3.4	17.3
Job fairs	91.1	4.3	3.2	1.4	8.9
School formerly attended or persons related to the school	94.9	3.0	1.3	0.8	5.1
Industry or trade associations	93.9	2.5	2.3	1.2	6.0
Private employment agencies	69.1	6.9	9.6	14.4	30.9
Parent company or affiliate of former employer	93.4	3.2	2.3	1.1	6.6
Parent company or affiliate of current employer	91.8	4.2	3.0	1.0	8.2
Client and business partner of current or former employer	92.4	3.7	2.5	1.4	7.6

Source: JILPT 2022 (p.26).

related social contacts and contacts derived from inter-organizational relationships are not often utilized in among middle-aged workers seeking to change jobs.

(2) Use of job change agents and the internet

The use of the internet is widespread to a certain degree in job search activities. Of those analyzed, 43.4% registered on job search sites (websites of job change agents), and 23.1% used the Hello Work online service.

(3) Activities related to skill development and career formation

Regarding activities related to skill development and career formation, the survey asked the following questions: (a) whether or not they had carried out any efforts to improve their job-related skills and abilities in the three years prior to December 2020 (the time of survey); (b) whether or not they had possessed any professional qualifications or licenses; and (c) whether or not they had worked with a career consultant or career advisor during the most recent job change. 48.2% had carried out efforts to improve their job-related skills and abilities in the past three years, and 67.6% had obtained professional qualifications or licenses. Among those who indicated that they had carried out efforts to improve their job-related skills and abilities in the past three years, relatively high percentages answered that they were learning "English and other languages" and "computer operation skills and information processing techniques." In addition, 29.5% of job seekers had contacted a career consultant or career advisor during the most recent job change.

V. Statistical analysis

Statistical analysis was conducted using a model with the following objective variables: (1) change in position before and after job change, (2) change in wages and salaries before and after job change, and (3) degree of skills and knowledge utilization at new jobs (Table 5).

Analysis of (1) change in position found that higher frequency of contact with "work-related friends and acquaintances" when seeking to change jobs was significantly correlated with higher likelihood of a rise in position after a job change. The reason for this trend may be that said friends and acquaintances, who are familiar with the job seeker's capability through work-related interactions, provide information about enterprises that will positively appreciate the job seeker's performance.

In terms of activities related to skill development and career formation, "obtaining a professional qualification or license" and "working with a career consultant or advisor during the most recent job change" significantly increased the likelihood of a higher position after job change. Working with career consultants or advisors has a positive impact on position at a new job possibly because career consultants and advisors provide information and comments that may lead to new job opportunities with a higher-level position.

With regard to (2) change in wages and salaries before and after job change, a statistically significant negative correlation with contacting Hello Work is observed. It means that negative changes in wages and salaries become larger as frequency of contact with Hello Work rises. This may reflect the prevalence of situations in which new jobs are not found, visits to Hello Work increase, and as a result, new employment is found only after lowering working conditions in terms of wages and salaries. Meanwhile, there is a trend toward significant positive correlation with "job fairs," meaning that the degree of increase in wages and salaries grows with more frequent participation in job fairs. This may indicate that repeated participation in job fairs helps in finding employers that offer better wages and salaries. In addition, there is a trend toward statistically significant positive correlation between "obtaining a professional qualification or license" and degree of change in wages and salaries. This finding suggests that possessing occupational qualifications and licenses may increase the market value of middle-aged workers seeking to change jobs.

Analysis with (3) degree of skills and knowledge utilization as the objective variable found a

Table 5. Statistical analysis of changes in personnel treatment and degree of skills and knowledge utilization at new jobs (with regard to activities related to information gathering and skills development/career formation)

	Change in position (Objective variable: whether or not worker's position rose)		Wage change (Objective variable: monthly salary change rate)		Degree of skills and experience utilization (Objective variable: degree to which skills and experience are utilized at new job)	
	B	Exp(B)	β	t-value	B	Wald
[Means of gathering information on new jobs]						
Hello Work (public employment security offices)	-0.111	0.895	-0.069	-2.469*	-0.057	0.965
Printed media such as job magazines and classified on newspaper	-0.038	0.963	0.006	0.265	0.011	0.035
Website of current employer	-0.017	0.983	0.003	0.115	0.048	1.018
Websites other than that of current employer	0.018	1.018	-0.014	-0.502	0.065	1.773
Family and relatives	-0.062	0.94	-0.006	-0.267	-0.028	0.23
Work-related friends and acquaintances	0.206	1.229**	0.000	-0.006	0.142	7.879**
Non-work-related friends and acquaintances	-0.002	0.998	0.007	0.272	-0.062	0.891
Job fairs	0.179	1.196	0.043	1.698+	-0.281	8.609**
School formerly attended or persons related to the school	-0.011	0.989	0.026	0.880	-0.049	0.099
Industry or trade associations	0.098	1.103	-0.031	-1.098	0.285	5.601*
Private employment agencies	-0.077	0.296	0.005	0.207	0.131	8.94**
Parent company or affiliate of former employer	-0.075	0.927	-0.038	-1.339	-0.322	7.405**
Parent company or affiliate of current employer	0.215	1.239	0.005	0.207	0.134	1.58
Client and business partner of current or former employer	0.046	1.047	0.017	0.666	0.099	0.993
[Use of Internet]						
Registered with a job search site (direct apply type)	0.023	1.023	-0.014	-0.599	0.162	2.269
Registered with a job search site (agent type)	-0.022	0.978	-0.044	-1.609	0.052	0.208
Registered with a job search site (scout type)	0.248	1.282	-0.027	-1.112	-0.145	1.416
Hello Work online service	-0.347	0.707+	0.002	0.069	-0.005	0.002
[Activities related to skill development/career formation]						
Efforts to improve job-related skills and abilities (in the past 3 years)	0.191	1.211	-0.007	-0.337	0.414	24.448***
Obtained professional qualification or license	0.316	1.372*	0.042	1.927+	0.533	35.242***
Worked with career consultant/advisor during the most recent job change	0.351	1.421*	0.012	0.465	0.088	0.619

**<.001 **<.01 *<.05 +<.1

Source: JILPT 2022 (pp.33-37).

statistically significant positive correlation between frequency of contact with work-related friends and acquaintances and degree of skills and knowledge utilization. As with the correlation for change in position, it appears that interaction with work-related friends and acquaintances who are familiar with the job seeker's abilities is likely to lead to discovery of new jobs where workers can utilize their skills and

knowledge. In addition, more frequent contact with "private job placement agencies" and "industry or trade associations" is also statistically significantly correlated with greater utilization of skills and knowledge at new jobs. It can be said that more interaction with private job placement agencies leads to workers being likelier to find new jobs where they can make better use of their skills and knowledge.

VI. Concluding

In Japan, middle-aged workers who have acquired professional skills through years of work experience are increasingly changing jobs. Both enterprises and the government, which develops labor market policies, have been taking a great interest in how actively the middle-aged could work at new jobs and how their working conditions would be considered. The above analysis indicates that the means of information gathering on new jobs (IV (1) above) and whether or not having carried out activities related to skill development and career formation ((3) above) have an impact on job change output and personnel treatment at new jobs.

How far would these activities that lead to active working life and better personnel treatment at new jobs spread through the initiatives of enterprises and the government? Would such initiatives of enterprises and the government motivate middle-aged workers to change jobs? Finally, would the increase in job changes among middle-aged workers possibly shift the traditional way most Japanese enterprises have secured human resources, which is based on hiring new graduates or the young and training them over a long period of time? From these points of view, it is worth noting the trends in job changes among middle-aged workers in Japan.

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