



Third Way Forum

INFOGRAPHICS

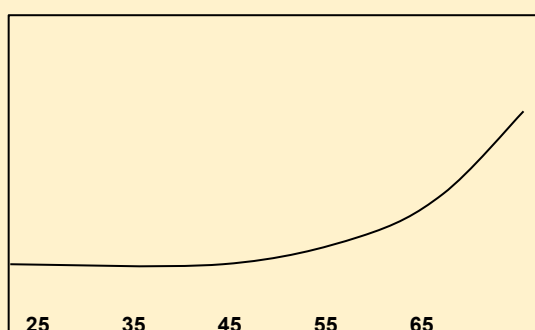
Weekly Meeting Highlights 27.8.20 Career Progression for Employees in Japan

Summary

- **Expatriate Staff**
 - May never be considered for permanent/management roles
 - Titular progression possibly more important for employment in other companies (explicit proof of ability)
 - Thought of as *transient and/or expendable*
 - Often leave Japan for branches in other countries (chicken or egg?)
 - Japanese with expat employment experience highly desirable
 - Language barriers seen as major hurdle for Japanese C-suite inward and outward facing
- **Lifetime employment**
 - Not as straightforward nor literal as many believe.
 - Any employee Can/May leave their company.
 - May stifle career progression
- **Middle-aged Middle-management**
 - May be a cultural expectation that middle-aged middle-managers *belong* to companies (time, ideas, etc.)
 - This can lead to a cycle of *delayed compensation*
 - Lack of effort by those in mid-level positions
 - Symptoms: marginal productivity while waiting for their big payoff
 - Gaman (我慢)?
 - Belief in being *stuck* with their current company rather
 - Lack of appropriate compensation for middle-aged employees

Compensation Scale**

*may be unrelated to skills/workload
*rough estimation based on anecdotal information. For illustration purposes only.



Age of Employee within Company*

*average age entering company estimated to be 23

- **Healthy Promotion**
 - Ideal Conditions
 - 1. Position availability (due to retirement, transfer, etc.)
 - 2. Existence of appropriate successor
 - Common Conditions in Japan
 - Senior Staff hold on to positions (see graph)
 - Low liquidity in Japanese market (few openings)
 - Taking compensation *entitlement* from previous years with company
 - Promotions may focus on seniority over talent

Results

- Many high-performing mid & top level management are poached between companies in an endless cycle, leaving less space for newcomers
- Increasingly, young/new hires are opting out of current system
 - Working for international companies
 - Attempting to start own businesses
 - Low liquidity in Japanese market
- **Hostage Situation**
 - Japanese employees hold their careers hostage in order to capitalize on compensatory benefits in later years
 - Japanese companies are held hostage by these employees