The Determinants and Subsequent Labor Market Outcomes of Early Job Separation in Japan

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Abstract

Using the panel data from the 2011 Japanese Longitudinal Survey on Employment and Fertility (LOSEF), this study aims to investigate (i) what factors affect early job separation of male workers who started their working career as regular employees and (ii) what the subsequent labor market outcomes of early job leavers tend to be. The main results of the investigation can be summarized as follows. First, among male workers who started their working career as regular employees, the percentage of those leaving the first job within the first few years is significantly higher for individuals in younger cohorts. Second, we find that the probability of the early job separation is significantly related with macroeconomic conditions at the time of searching for the first job, non-cognitive skills of the individual, the size of the firm at which the individual obtained the first job, the occupation of the first job, and the wage at the first job. Finally, subsequent labor market outcomes of individuals leaving their first job within the first few years tend to vary from those of non-early-job leavers.