

The Opportunity Structure for the Local Employment of Japanese Workers in Hong Kong:
A Perspective from Staffing Agencies¹

Kenji Ishida^{*1}, Shin Arita^{*1}, Keiko Genji^{*2}, Mei Kagawa^{*3}

*1: University of Tokyo, *2: Meisei University, *3: Daito Bunka University

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Abstract

In this paper, we investigate the career opportunity structure of Japanese self-initiated expatriates (SIE) who live in Hong Kong. Many Japanese people feel familiarity with Hong Kong, and it remains one of the major destinations for Japanese migrants. In the field of migration studies, there are mainly two research frameworks, namely the economic model and the lifestyle migration model. Pointing out the limitations of these conceptual frameworks, we highlight the importance of placing further emphasis on the structural aspects. After the literature review that examines previous findings, we pose the following questions: first, the reason their opportunity for upward mobility does not expand, and second, whether there is any SIE's career process which we can positively evaluate. To investigate these questions, we propose tentative hypotheses which focus on the relationships between individual and organizational factors. Based on these research interests, we conducted interviews with staffing agencies in August 2018 and utilized the interview data to obtain tentative answers. Through our interviews, we found that the interdependent relationships between Japanese firms and SIEs might be to the disadvantage of the latter group. Japanese SIEs have to remove themselves from the Japanese working context if they are to find opportunities for upward mobility. We also describe the ways in which the socioeconomic circumstances surrounding both Japanese firms and SIEs have changed, and how its change has affected the labor supply-demand relationship in the Hong Kong labor market. Under the structural change in labor market situations in Hong Kong, staffing agencies as intermediaries will keep playing an essential role in the Japanese SIE's opportunity structure.

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1 Introduction

1.1 Japanese Expatriates in Asia and Hong Kong

The population size of immigrants has increased globally. According to the Trends in International Migrant Stock by the United Nations, the total number of immigrants in 2015 was over 240 million, which is about 1.6 times larger than in 1990. Immigrants in Asia occupy around 30% from 1990 to 2015, and Asia is one of the major immigration regions along with Europe and Northern America.

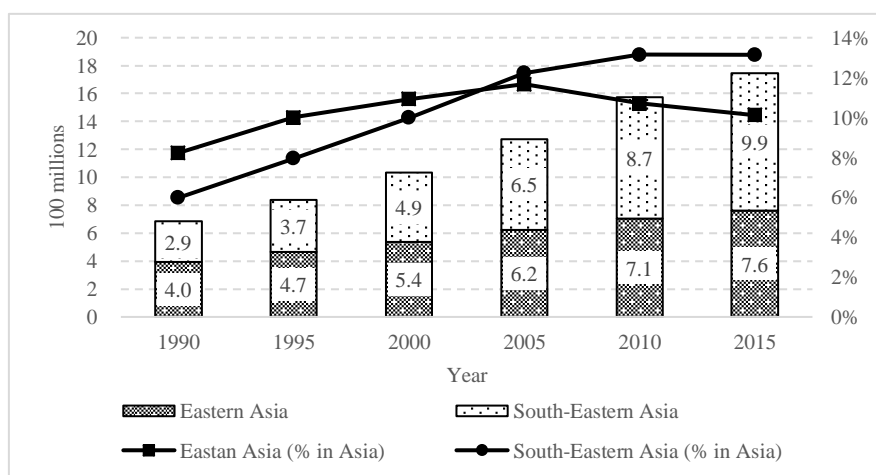


Figure 1 Immigrant Population Sizes and Proportions in Eastern and South-Eastern Asia
Source: Trends in International Migrant Stock: The 2015 Revision by the United Nations

Asia comprises six sub-regions in these statistics, and Southern and Western Asia take about 70% of the total immigrant population in Asia. In contrast, the proportions of immigrants in Eastern and South-Eastern Asian societies were only 10% and 13%, respectively, in the 2015 data. As Figure 1 shows, however, both the actual numbers and their proportions in these regions are increasing, and the immigrant population size has doubled since 1990.

Examining societies within Eastern Asia, it is clear that Hong Kong has the largest immigrant society. According to the United Nations’ statistics, the population size of immigrants in Hong Kong was 2.4 million in 1990, which was over 60% of all immigrants in Eastern Asia. Though its share decreased to about 40% in 2015, the actual number increased to 3.2 million, and it is still the largest among Eastern Asian societies.

For Japanese people, migrating to Asia, particularly Eastern and South-Eastern Asia, is becoming a significant option. From the foreign residents statistics of the Ministry of Foreign Affairs, it is shown that the number of Japanese residents in Asia has quadrupled from the early 1990s to 2017. That proportion to the number of Japanese residents in the world has also increased from 14.9% in 1992 to 29.1% in 2017. At a micro-level view, there are two factors to distance with regard to migration.

One of them is geographical distance. Migrants usually need less money if they move to a destination that is close to their point of origin (King 2012), and Japanese people can travel to most other Asian societies in a few hours. Cultural distance is also a substantial factor. Japanese people are more familiar with Asian cultures than they are with European societies (Thang 2006). With regards to social and geographical propinquities, Asia has become famous for its Japanese youths and middle-aged people to emigrate to.

At a macro-level view, it is notable that Japanese firms have increased local organizations more in Asia than those in other global regions. In 2017, about 70% of Japanese firms outside Japan are in Asia, which is the most substantial part for Japanese companies across the world¹. From a temporal perspective, Japanese firms are more concentrated in Asia (Miyamoto 2009). When Japanese firms develop local branches overseas, they usually dispatch Japanese staff as corporate expatriates (CEs) to local organizations (Belderbos and Heijltjes 2005.). The number of Japanese self-initiated expatriates (SIEs), who usually find employment in the destination societies, has also increased alongside Japanese firms and CEs. CEs are often costly, and it is difficult for Japanese firms to maintain a supply of CEs to satisfy vacant positions to start up local organizations. Instead, Japanese companies increase their staff size from Japan by a local employment contract. This type of employment enables firms to hire Japanese workers inexpensively compared to CEs, and Japanese SIEs accept those job offers because they do not always pursue the goal of socioeconomic status attainment (Nakazawa et al. 2012). They often want international or transnational career experiences, and the socioeconomic reward is not their primary object (Abe 2015).

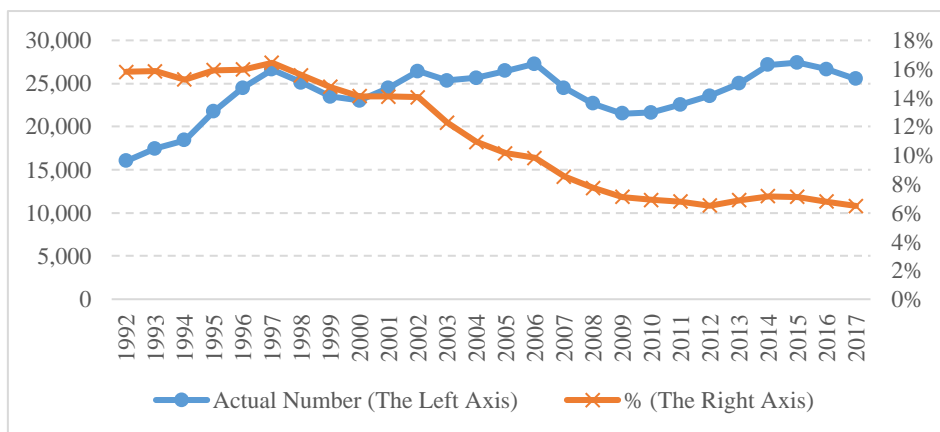


Figure 2 The Population Size of Japanese People in Hong Kong

Source: Annual Report of Statistics on Japanese Nationals Overseas by the Ministry of Foreign Affairs

¹ See the foreign residents' statistics by the Ministry of Foreign Affairs, 2018 edition.

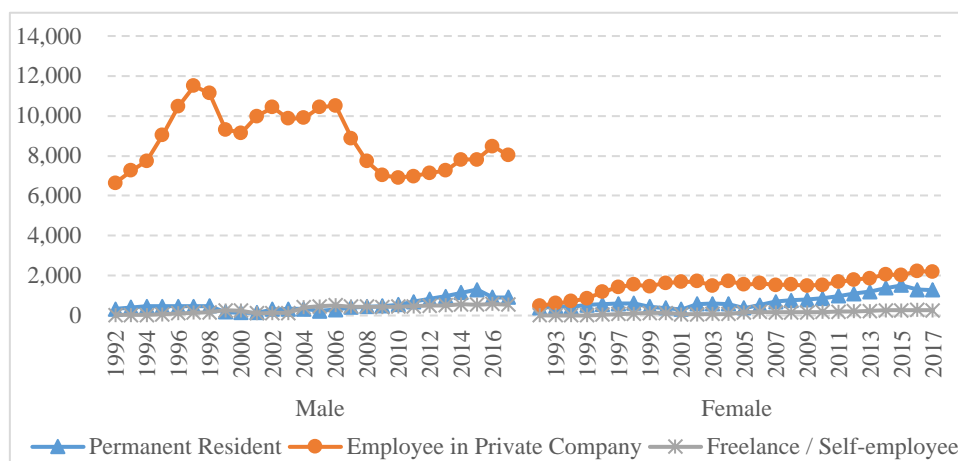


Figure 3 The Number of Japanese Residents for Each Category in Hong Kong

Source: Annual Report of Statistics on Japanese National Overseas by Ministry of Foreign Affairs

Hong Kong is a famous destination for Japanese emigrants. Figure 2 shows the trend in the number of Japanese people in Hong Kong and its proportion to Japanese people across all of Asia. Although the percentage of Japanese expatriates in Hong Kong has decreased because of increasing more and more Japanese people in other Asian societies like mainland China and Thailand, the size of the Japanese in Hong Kong has increased for this 25 years. The number has remained at about 25,000 and it is the 6th largest group among Asian societies in 2017.

The overall number of Japanese residents in Figure 2 includes family members. We can also see detailed information by this statistics. Figure 3 indicates the number of Japanese male and female residents in Hong Kong for several residential types, and we exclude family members here. It is remarkable that the number of male employees is much more than that of the female employees because CEs mainly consist of male workers. According to JILPT (2008), 98% of corporate expatriates are male. Dispatching corporate expatriates is often a way of career advancement within private firms. The majority of Japanese expatriates work for corporate entities, and it is possible to attribute the difference in the population size between male and female workers to the number of corporate expatriates.

Another point of interest in Figure 3 is an increasing trend in female employees. While the number of male employees fluctuates, that of the female ones has increased 4.38 times between 1992 and 2017. Given that most CEs are usually male, we can attribute the increase in female workers in Hong Kong to the change in the number of SIEs. As mentioned about the interview in the following section (see 4.1.1), it may be possible to infer that the number of self-initiated expatriate men in Hong Kong has also increased.

1.2 The Purpose of this Study

In the present study, we focus on the labor market opportunity structure for the SIEs in Hong Kong. Because of the small number of SIEs, scholars in Japan have not had much interest in their careers except for a few studies (Kato and Kukimoto 2016; Kamiya and Niwa eds 2018). The SIE worker's opportunity structure, however, can reflect how Japanese society and firms evaluate their transnational experiences. The framework defining the meanings of the transnational career experience also relates to the perspective of the ideal career trajectory in the Japanese labor market. Although the SIE is a minority in the Japanese population, the findings made in a study on them will provide some implications for the entire Japanese society.

Hong Kong is a substantial case for our study. It is still a favorite place for Japanese people to migrate to, and there are many Japanese expatriates including SIEs who live there, as shown in Figure 2. However, it is also true that the share of Japanese expatriates in Hong Kong has decreased, and that their position in the Hong Kong labor market may have change in this 25 years. It is possible that Japanese SIEs in other Asian societies will undergo similar experiences in the future, and Hong Kong's case will prove to be a preceding example.

The original point of departure in this paper is the investigation into the SIE's labor market opportunity structure in Hong Kong from the viewpoint of staffing agencies. While researchers of Japanese SIEs mainly rely on the migrants' standpoint, few studies have focused on the employment agencies². However, the staffing agency plays a role for both Japanese SIEs and firms. In most cases, it is difficult for SIEs to find employment without the assistance of an agency. Japanese firms also depend on staffing agencies for reducing their recruitment costs. The staffing agency as an intermediary player will know both sides of the labor supply and demand market well, and it will be possible to see the opportunity structure for the Japanese in Hong Kong from a better vantage point.

In the following sections, we review the findings of previous studies on Japanese expatriates and discuss what we should additionally investigate. In this paper, we mainly focus on young and middle-aged Japanese SIEs. The contexts of migration are different among the various life stages, and career opportunities are of less concern for older expatriates. Based on the literature review, we set our focal points in this paper and introduce an interview we conducted. We then describe the result of the interview and discuss its implications.

2 Previous Findings on Japanese SIEs' Careers

2.1 Conceptual Arguments

In migration studies, there are two models which explain the migration of people from one country to

² Yui (2018) is an exceptional case.

another. One approaches the issue from an economic point of view, and the other is sociological. Through a brief introduction, we point out the similarities and differences between these two frameworks and suppose a structural view which answers the further question.

An economic approach sees international migration as an allocation process of labor forces across international boundaries (Borjas 1989, 1993). In the economic model, international migration is a human capital investment, and it occurs when people can expect high returns with low costs. This economic explanation also assumes income inequalities among societies and predicts that the emigration rate is higher the greater the income difference is between origin and destination societies. In a high-income society, for example, a lower socioeconomic status worker's wage will be higher than that of the same SES in a low-income society. In some cases, it may be possible that manual workers in a high-income society earn more than non-manual workers in a low-income society do. High economic returns are pull-factors for migrants in the economic model. This particularly helps migration scholars to understand the immigrant inflow process of unskilled workers.

However, some sociologists propose an alternative framework to explain international migration (Benson and O'Reilly 2009). The economic model successfully specifies the likelihood of emigration across an entire society, but how and why people in an affluent society move to equal or less affluent societies is out of its scope. Instead, what Benson and O'Reilly (2009) called the lifestyle migration thesis suggests that the migrant's motivation should be the search for a better way of life. Ordinary people in an affluent society do not have urgent economic matters but face issues in their social lives. Strong social norms and dense interpersonal relationships in the origin society often restrict one's freedom, and they can be stressful in daily life. These negative aspects of the origin society are push-factors for emigration for some people. From the lifestyle migration perspective, migrants seek the re-organization of their work-life balance, an improved quality of life, and freedom from prior constraints (Benson and O'Reilly 2009: 610). Emigration is a means of pursuing self-realization for migrants.

The economic and lifestyle models explain the reasons why people migrate well. Both models offer contrasting motivations for migration, and the implicit assumption about migrants differ between them. The primary target of the economic migration model is the manual class of migrants because their economic returns depend on the labor market situation and the industrial structure. In contrast to this economic model, the lifestyle migration model focuses on middle-class migrants. Most of them do not face any economic disadvantages in the origin society, but social and cultural factors make them migrate to their destination across borders. The theoretical arguments behind each model are not exclusive but complement one another.

Though the types of migration are different, these models are similar in respect to the migrants' actions. In both models, migrants look for the best way to realize their objectives to the fullest extent, regardless of their original motivations for emigrating. At the expense of other aspects, economic migrants seek societies that offer more well-paid jobs and lifestyle migrants pursue circumstances free

from social pressures and burdens. Both models regard migration as a process of accomplishing migrants' purposes, and that is an individualistic view rather than a structural perspective.

The preceding models can indeed theorize the migrants' motivations and their actions from an individualistic perspective, but they are not as straightforward in explaining the subsequent careers of those migrants or expatriates. This is because the opportunity structure in the destination society affects migrants' career consequences as well as the individualistic factors such as their motivations and actions. The opportunity structure is not accounted for in either the economic or lifestyle migration thesis since it is merely a given or exogenous condition. In the economic model, the mean income in the destination is always higher than the origin's average when migration occurs, and this model regards exceptional cases as deviances or attributes them to some institutional barriers between the origin and destination. Even in the theoretical world of the lifestyle migration model, people do not have to emigrate unless they find a better society, and this model does not consider the possibility of the migrant's life situation becoming worse. Sometimes, the lifestyle migration model may also preclude the discussion of downward career mobility as far as migrants realizing their primary objectives other than socioeconomic status attainment. However, such a point of view will hide the social inequality surrounding the transnational career experience. As we will mention in the following section, previous studies repeatedly report that Japanese SIEs face challenges in their career opportunities. It is slightly too simplistic to interpret their difficulties as individual matters of motivation and quality, and it is, therefore, worth investigating the opportunity structure for SIEs in destination societies.

Concerned with the above-mentioned conceptual matter, we emphasize the impact that the opportunity structure for Japanese SIEs in Hong Kong has on their subsequent career mobility in the present study. The opportunity structure is a classical concept in sociology, and it generally refers to the distribution of opportunities that are beneficial to one's life course (Merton 1995). In this paper, we examine the local labor market structure for Japanese SIEs in Hong Kong by using this concept.

For one's transnational career trajectory, the opportunity structure in a destination society affects one's social position not only there but also in the origin society. Many Japanese SIEs do not always stay in that destination as permanent residents, but they have much potential to return to Japan several years after emigration³. Upon their return to Japan, those returnees have to find employment in the external labor market. In Japan, which has a long-term employment tradition as a social norm, it is not yet common practice to change one's job through the Japanese external labor market for career advancement. Japanese employers will strictly evaluate candidates in their mid-career stages because they need to ensure that those candidates are already capable of starting working with existing colleagues soon after the appointment. One's previous career experience is thus crucial for the

³ Unfortunately, we do not have any reliable official statistics for return migrants in Japan.

employer's decision-making, and the impact of a transnational career trajectory will attract academic and social interest since it is still unusual to most Japanese employers.

In the next part, we review the previous literature and examine how these studies have engaged with the social statuses of Japanese expatriates. In addition to Japanese SIEs who find employment with a local contract in their destination societies, we also include literature on corporate and working-holiday expatriates. They are substantially different, but there are not many previous studies of the employment opportunities for the Japanese in the destination society. Moreover, all expatriation types face a similar situation in their evaluation by Japanese society. Our discussion and further question will follow this review, and we set some tentative hypotheses in this paper.

2.2 Japanese SIE's Career Experiences

For young and middle-aged Japanese SIEs, earning money is not the primary motivation for migration. A fieldwork study, which focuses on Japanese expatriates in Australia, points out the existence of the lifestyle migrants from Japan (Nagatomo 2013). Japanese society's circumstances changed in the 1990s, and social lives became more individualistic than before. Young and middle-aged expatriates who avoided self-sacrificing work ethics sought to live out the lives they wanted for themselves, and migration was an attractive way of pursuing a new lifestyle (Nagatomo 2013; Kawashima 2017). The 1990s was also an era of a long-term economic recession in Japan. Even though they could get higher education degrees, it was considerably harder for young people to start a full-time first job after graduation at that time. The harsh labor market situation in Japan put the eyes of young and middle-aged Japanese workers on other societies like Australia, Hong Kong, and Singapore, where there seemed to be less discrimination based on age and gender, as well as individualistic working conditions, and a sense of openness (Thang et al. 2006; Nagatomo 2013). They did not want to attain a higher socioeconomic status, but ways of working that were worthwhile for themselves.

Individual motivation cannot be the one conclusive factor for explaining the transnational career process, but it is necessary to pay attention to the structural conditions in destination societies. In the 1980s, Japanese firms increased direct investment in Asia (Urata 1993). The number of local Japanese companies has also increased since the late 1980s (Miyamoto 2009). The headquarters of Japanese firms usually dispatch existing staff to managerial positions of local branches in their start-ups (Belderbos and Heijltjes 2005). The demand for other staff that assist CEs follows the establishment of the local organization, and Japanese firms are likely to prefer Japanese speakers for smooth communication with managers. Because many local people cannot speak Japanese, the labor market niche for Japanese SIEs emerges. By the increase in Japanese firms, the number of restaurants and grocery stores for Japanese customers increases, especially in global Asian cities (Thang et al. 2006; Abe 2015). The economy for Japanese expatriates also creates some business opportunities for the Japanese. These working and living circumstances enable Japanese SIEs to expect that they can

experience a transnational career while maintaining the living standards of Japan.

In other words,, the opportunity structure dedicated to Japanese expatriates is a kind of ethnic enclave (Portes 2010). While immigrants can securely preserve their social and economic resources within an ethnic enclave, they spend an enormous opportunity cost at the same time (Massey 1995; Portes 1998). Japanese SIEs tend to keep their distance from the Japanese community in the destination society (White 2003; Nagatomo 2013), but their employment opportunities depend on the local labor market situation for Japanese speakers. They need to utilize their ethnic advantages to hold onto those opportunities. However, that “reduces the incentives and opportunities to learn other cultural habits and behavioral attributes” (Massey 1995; 447).

The above-mentioned structural constraint results in a situation wherein Japanese SIEs do not have many occupational opportunities in the destination society. In some cases, Japanese firms replace Japanese CEs with SIEs because they “explained their preference for Japanese managers as given the subtle and unique nature of communication between headquarters and subsidiary” (Beamish and Inkpen 1998: 37). The rapid increases in the number of branches and in personnel expenditure were motivations for Japanese firms to make use of the local employment. However, these managerial positions comprise just a small part of the entire local employment. Most positions available to Japanese SIEs are supporting role for managers, and SIE employees usually work for Japanese people in the destination societies. They are likely to get stuck in a Japanese linguistic enclave, and those situations are similar across Asian societies (Abe 2015; Yui 2018). Those small opportunities consequently prevent Japanese SIE’s from accumulating their transnational human capital. That is to say, Japanese firms do not give much regard to their experience of a transnational career (Kato and Kukimoto 2016).

Japanese SIE workers have negative recognitions about their career experiences in destination societies. Some SIEs accept fewer career advancements or even downward mobility because they show a preference toward a way of living that they desire (Thang et al. 2006; Nagatomo 2013). Meanwhile, there is another type of SIE who expects to develop their own career, and they do not always satisfy their career situations due to low evaluations by local Japanese firms (Abe 2015; Kawashima 2017). Furthermore, studies on working-holiday expatriates point out that they are disappointed with their transnational experiences sooner or later (Kawashima 2010; Suzuki 2015). Even among Japanese CEs, there is a concern over their careers after returning to Japan because they are afraid of losing social contacts, skills, and knowledge that are resourceful in the Japanese labor market (Ben-Ari 2003). These previous findings imply that Japanese expatriates broadly doubt whether their overseas working experiences contribute to their careers in Japan, regardless of the type of expatriates that they are.

2.3 Further Questions and Hypothetical Perspectives

These previous findings illustrate that Japanese SIEs' career opportunities depend heavily on the local labor market structure formed by the increase in Japanese firms and their communities, and they usually have to accept marginal positions. This overall tendency of Japanese SIEs' opportunity structure raises additional questions. The first question to ask is why their opportunities for upward mobility does not expand. The shrinking number of CEs would increase the incentive of offering a better job to SIEs, but previous studies do not always support this view. Secondly, is there any SIE's career process which we can positively evaluate? It is necessary to compare as many as possible of the variety of career patterns to describe the characteristics of Japanese SIE workers more precisely.

Because of the lack of empirical data which enables us to answer these questions directly, it is not possible to set concrete empirical hypotheses toward them. Instead, in the present study, we propose some structural factors that we should take into consideration. These hypothetical arguments are merely tentative but will contribute to constructing a systematic research framework for an inquiry into the opportunity structure available to Japanese SIE workers.

The first thing we focus on is the employment practices of Japanese firms, and we have an interest in the degree of similarity between non-regular employment in Japan and the local employment in the destination societies. Since the late 1980s, Japanese firms have increased the number of non-regular employments, which is a marginal position in the Japanese labor market. Japanese employers exclude non-regular employment workers from the opportunity structure which the regular-employment workers have access to. Non-regular workers cannot enjoy wage growths based on seniority, promotions, and other fringe benefits, and they are also out of restriction of employment protection in general. These elements are characteristics of the Japanese occupational trajectory, and it is a social norm for (mainly male) Japanese workers to follow that trajectory. It is still a transitional case to be a non-regular worker in Japan, and Japanese employers are generally reluctant to foster non-regular staffs' skills because they are likely to leave their jobs within a few years. Although there are variations across local contexts, Japanese firms do not have to apply their employment practices for Japanese SIEs in destination societies. In other words, Japanese firms may treat Japanese SIE workers like the non-regular workers in Japan by relying on the membership-based employment framework.

The second factor is the relative importance of Japanese workers, and here we should focus on the labor market localization. Prior research points out that the longer Japanese firms have been in operation, the more they are likely to employ local people (Belderbos and Heijltjes 2005). Following the localization trend of Japanese firms in Asia (Beamish and Inkpen 1998), job availability for Japanese SIEs in destination societies will also decrease. Japanese SIEs have been attractive to Japanese firms because they are Japanese speakers, but its advantage dissolves when Japanese firms can find local workers who can also speak Japanese. It is more efficient to hire local people than

Japanese because it takes more time, as well as the immigration costs involved, for Japanese firms to recruit Japanese staff.

In this paper, we utilize the interview data from staffing agencies in Hong Kong. We will investigate the structural aspects which may affect the opportunity structure for Japanese SIEs' careers through these interviews. It is necessary to obtain more cases in other Asian societies to examine the already-described hypotheses in future research. However, our discussion through the interview data will demonstrate the significance of emphasizing these points.

3 Data

The authors conducted an interview survey in Hong Kong in August 2018. Our targets were staffing agencies in Hong Kong, in order to grasp a complete picture of the opportunity structure for Japanese SIEs there. We conducted interviews by directly sending a request and via other contacts. We completed interviews with eight persons in three agencies. Interviews were conducted in a semi-structured manner, and each took about two hours. We recorded the conversations with interviewees' consent and made transcripts. In the following part, we will discuss and interpret the transcripts.

Table 1 The Profile of Interviewees

Agency	Interviewee	Sex	Current Position and Short Biography
A	1	Male	General Manager. He was a corporate expatriate of a Japanese trading firm before his current position.
	2	Male	Business Development Manager. He has worked in Hong Kong for more than five years after working in Japan for about four years.
	3	Female	Marketing Executive. She is a Hong Kong woman and has working experience in Japan.
	4	Female	Manager. She has stayed in Hong Kong for nine years after the completion of a graduate degree in Japan. She is in charge of the recruitment division.
B	1	Male	Managing Director. After working for Japanese staffing agencies, he has run his company for about 20 years in total.
C	1	Female	Senior Recruitment Consultant. She has been in Hong Kong for about four years and started her current position in 2017.
	2	Female	Senior Recruitment Consultant. She came to Hong Kong in 2017 and was searching for a job in Japan before emigrating.

	3	Female	Recruitment Consultant. She was an international student in mainland China and has stayed in Hong Kong for one year.
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Table 1 shows the profile of interviewees. Alphabet capitals in the ‘Agency’ column and numbers in the ‘Interviewee’ column are symbols to identify the individuals. We describe each interviewee’s name by the combination of ‘Agency’ and ‘Interviewee’ in Table 1 in the subsequent discussion, and we quote transcriptions with italics. Interviewees other than A3 and B1 are all Japanese people and are also self-initiated expatriates. A3 and B1 can also speak Japanese quite fluently.

All the agencies we visited mainly run recruiting services, and agency A and B are small- or medium-sized local firms. Agency C is a local organization of a large Japanese company which is successful in the human resource (HR) service. While C specializes in recruitment service, A and B provide other HR services like consultation of personnel administrations in addition to recruiting businesses.

4 Career Opportunity Structure of Japanese Self-initiated Expatriates in Hong Kong

4.1 The Treatment of Japanese SIEs in the Hong Kong Labor Market

4.1.1 Demographic Composition of the Labor Demand

Because they are not familiar with their destination society before migrating, most Japanese SIEs need staffing agencies. Even after migration, Japanese SIEs enquire at agencies for any offers of a better job. Informants told the authors that there were still measurable job offers available to a number of Japanese people in Hong Kong.

A1: It depends on the situation, but we introduce job offers from 200 to 300 firms on average in one year. We introduce them not only to Japanese people but also for those who can speak Japanese. We call them ‘Japanese Speakers,’ or JS. JS consists of about 70% of the total number of candidates.

Interviewer: How many cases do you handle per year?

C3: For Japanese people?

Interviewer: Yes.

C3: We handle perhaps about 100 offers or less per year.

Interviewer: How about job offers for workers who are not Japanese?

C1: We introduce two or three offers to those candidates per day.

Interviewer: Are those offers from Japanese firms?

C1: Mostly.

Regarding gender composition, the number of male SIEs has seemed to increase since the late 1990s from informants. Moreover, C1 said that job offers for Japanese people preferred male workers in managerial positions.

A4: There had been an increasing trend of female Japanese workers since the mid to late 1990s. However, I feel that the gender composition is equal through having contacts with many Japanese candidates. The number of female Japanese people appears to be more than male people because many of them are likely to marry Hong Kong men or be spouses of Japanese corporate expatriates.

C1: Many Japanese firms prefer male staff. Women's socioeconomic advancement has proceeded in Hong Kong, and there are many women in managerial positions. However, Japanese firms still prefer men. We do not tell candidates that because it is discriminatory treatment, but we treat Japanese men with priority.

Given that their impressions are correct, the number of male Japanese SIEs will be the same as that of Japanese women. As Figure 2 shows in the previous section, the number of Japanese women in Hong Kong is about 2000, and most of them are SIEs. Thus, it is possible to assume that the population size of male Japanese SIEs in Hong Kong is also about 2000. Considering the number of job offers, about 5% of Japanese SIEs find employment through staffing agencies every year, although this is just a rough estimate.

The labor demand for Japanese people is concentrated in the youth and middle-aged. According to B1, Japanese CEs in Hong Kong are becoming younger. Japanese managers are concerned with age gaps with subordinates and managerial CEs prefer younger subordinates in general.

B1: Workers in firms in Hong Kong and other countries do not mind age gaps, but Japanese people do. Japanese managers complain that it is not comfortable working with older subordinates. Even though we introduce excellent candidates, they often refuse our recommendations when those candidates are older than the Japanese CEs.

The gender- and age-based preference of Japanese firms in destination societies will affect Japanese SIE's labor market opportunities. Female SIEs cannot get mobility chances for middle- and upper-class positions. Even for male SIEs, Japanese firms want younger expatriates. Following the lowering trend of the age of CEs in Hong Kong means that less-skilled workers will be hired out of a preference for much younger expatriates because the length of the labor market experience is usually

proportional to age. It is possible to see similar situations in Japan, and the inequality of opportunity by demographic factors is also reproduced in Japanese firms in Hong Kong.

4.1.2 Activities of Recruitment Services

Staffing agencies in Hong Kong make an effort to provide better job offers to SIEs and introduce as many as possible talented workers to Japanese firms. In general, it takes at least two months to complete a set of the recruitment process. In that process, they check the language skills and personalities of the applicants. After the screening stage, they introduce job openings that are appropriate for the applicants. We obtained similar statements from B1 and C2, and staffing agencies are often dedicated to Japanese SIEs' job searches.

Interviewer: Although it depends, what activities do you work on in the recruitment process?

A1: We usually check the language fluency first. Then, we meet all applicants online or face-to-face. After the personality check, we decide what job openings to introduce to applicants.

Interviewer: Can applicants always get the job offers they want?

A1: No.

[...]

A1: If one has a VISA in Hong Kong which permits working, he or she can get a job immediately. If not, it takes four to six weeks to finally get an approval. It takes two months in total.

[...]

A2: Many Japanese people change their jobs in Hong Kong. We maintain a long relationship with them. For example, we repeatedly introduce job offers when he or she steps into the next stage.

Staffing agencies also keep in touch with the labor demand sides. There is severe competition among agents for possible vacancy positions in Hong Kong. It is essential for agents to cultivate a bigger labor demand in firms as well as to increase the number of those who register as potential applicants.

C3: Marketing is a vital activity in Hong Kong. Under the situation where many agents emerge one after another, we must continuously make an effort in marketing so that firms recognize us.

C1: Employers almost always offer their job openings to about three agents handling Japanese workers. It is natural for them to ask the agent who regularly keeps in touch. So we provide information about applicants to create and maintain good relationships with customer companies.

As a result of their efforts, it is possible for them to have stable connections with firms. In an intensely competitive environment, it is also necessary to increase the number of job offers from

companies with whom they have prolonged relationships with. Small but trusted agencies like A and B show their uniqueness by utilizing such connections.

A1: We often acquire customers by word of mouth and do not actively engage in marketing activities. So, our business depends on job offers from companies which we already know.

B1: I used to expand our customer base too actively. However, I changed my mind and made an effort to characterize our business. We keep connections with selected customers and try to increase their incentives to offer job openings of various positions within their organizations.

These processes in the recruitment services indicate that the labor market for Japanese SIEs in Hong Kong is a social construct. Staffing agencies do not only compensate the information gap between Japanese expatriates and firms. Moreover, they cultivate and create the labor market itself through their enormous efforts. The labor supply-demand relationship and the marketing activities of agents are interdependent, and their perceptions will be a key to understanding Japanese SIEs' opportunity structure and its dynamics.

4.1.3 Recognition of Staffing Agencies in Hong Kong Toward Employers and Employees

From an intermediary standpoint, it seems that staffing agencies in Hong Kong have some concerns about Japanese SIEs and firms. Similarly to previous studies, informants indeed pointed out the lack of readiness of some Japanese SIEs.

A4: Some Japanese people do not try to accustom themselves to Hong Kong society. For example, those who stick to Japanese hair salons are never able to successfully adapt themselves to Hong Kong. Another type of person keeps having a dream which never comes true. [...] I think those who believe in rosy overseas lives are always problematic.

[...]

A1: Also, it is a disadvantage to have neither any motivation or will to understand the strength of one's own career experiences.

[...]

A2: Japanese people must have relevant working experiences for three to five years in order to get a VISA. They are foreigners in Hong Kong, and it is necessary to have some professional skills for the VISA application.

Meanwhile, some Japanese SIEs do experience upward mobility in the Hong Kong labor market. However, most upward mobility means finding employment in non-Japanese firms. A2 said it is not always impossible for Japanese SIEs to enjoy career advancement in Japanese firms, but the Japanese

personnel system often functions as a barrier.

Interviewer: What do you think of as an ideal career path in Hong Kong?

A4: There are few opportunities for upward mobility in Japanese firms. In non-Japanese firms like multi-national companies, [...] wages increasingly grow and positions also become higher.

[...]

A2: Another career path is to get promotions within Japanese firms and to have a job as a corporate expatriate. However, it is not easy to experience that because of the intentions of the headquarters and the rigid personnel system. After all, excellent SIEs leave Japanese firms for foreign-capital companies.

As well as institutional and organizational backgrounds, cognitive aspects of Japanese firms' side constrain career opportunities for Japanese SIEs. In general, Japanese firms devalue SIEs' skills and experiences. While they sometimes accept the job-hopping of the Hong Kong youth, they never overlook the same behavior from Japanese SIEs. The interview data indicates that Japanese firms require Japanese workers to retain their 'Japaneseness' much more.

Interviewer: Does it lead to a negative image to hop from one job to another?

B1: Indeed. It is not appropriate to quit a job soon, but it may also mean that that person is industry-ready.

[...]

Interviewer: Is that person from Hong Kong?

B1: Yes. He is not Japanese. Japanese firms severely judge Japanese people.

A1: Many Japanese people say that Japan is stressful, or they want to challenge new things with their experiences in Hong Kong. However, it is true that Japanese firms require a certain 'Japaneseness' of Japanese applicants. Asking them to understand that situation, we introduce job offers to them.

These statements imply that Japanese firms still have a typical image of Japanese workers and apply it to Japanese SIEs even in the Hong Kong labor market. Nevertheless, there is no system in place for fostering workers' skills and knowledge in local organizations in Hong Kong, as C3 said. The cognitive framework toward Japanese workers and the lack of a training system will jointly reproduce a stereotyped image of Japanese SIE workers.

4.2 Structural Change in the Employment Opportunity

4.2.1 Decreasing Advantage of Japanese Speakers

In the previous part, we refer to the statement that Japanese firms prefer Japanese speakers. It is the

biggest and only advantage for Japanese SIEs, but its advantage has decreased according to staffing agencies. Because the number of Japanese speakers in Hong Kong people has increased, Japanese firms consider Japanese SIEs as more costly when compared to Hong Kong people who can speak Japanese.

A1: After the Lehman Shock, the localization has proceeded. [...] Japanese firms decreased the number of corporate expatriates because of the budget constraint. Someone had to engage in managerial works instead of them, and Japanese firms employed Japanese people with local contracts at first. However, Japanese firms gradually became to think some Hong Kong people could do the same work in Japanese.

Japanese expatriates have also changed. As the number of Japanese people who can speak English increases, minimal requirements for Japanese SIEs shift upwardly. There are a limited number of positions for Japanese people who are not adept at English these days.

C3: It is expertise with the Japanese language that many Japanese firms want. Customer support, clerical, and secretary works are the examples, and they are not fast-track career positions.

Interviewer: Does the Hong Kong labor market positively evaluate these positions?

C3: Keeping these jobs is not useful for the subsequent career.

A linguistic barrier used to protect Japanese SIE's career opportunities, but they cannot enjoy that linguistic advantage anymore. Other languages such as English and Chinese have taken the place of the Japanese language in Hong Kong, and Japanese people who are fluent in these languages can survive with upper mobility opportunities at present. However, the case of the Japanese language implies that any language skill cannot keep providing socioeconomic returns in the long run. It is not sufficient to merely depend on language skills, but Japanese workers have to be conscious of the relevance of their career trajectories.

4.2.2 Overall Changes in Hong Kong Society

Living costs in Hong Kong have rapidly increased since the end of the 2000s⁴. The growth rate of housing prices exceeds that of the wages of Japanese SIE workers. People from Hong Kong can choose to live with their parents to reduce living expenditures, but Japanese expatriates do not have that privilege. The high housing prices often make Japanese SIEs leave Hong Kong, and it is not easy for less motivated Japanese people to keep on staying there.

⁴ See the property market statistics in Hong Kong (https://www.rvd.gov.hk/en/property_market_statistics/index.html).

A4: Those who stay in Hong Kong for a long time cannot help but come back to Japan because the rent is too high. While income stays the same, the rent increases. I feel there are such people in the past several years. [...] The rent for a shabby apartment in Hong Kong corresponds to that for a standard rent in the Roppongi area in Tokyo.

Another change is in the decreasing significance of Japanese firms. Agents mentioned a difference in the speed of change between Japanese firms and the global market. The change in the situation, as well as the budget restrictions, may motivate Japanese firms to proceed to their localization. A1 said that Japanese firms in Hong Kong have also gradually changed their governance structure.

B1: Hong Kong has shifted from a global production center to a global marketplace, and the importance of Japanese firms has been declining. [...] A weakness of Japanese firms is in the low speed of their decision-making. [...] I understand the pace of the Japanese firms' business, but not other global companies. Thus, they are less likely to have time for Japanese firms, and it is a waste of an opportunity.

C2: Japanese workplaces did not suit me. It was because it always took too much time to decide anything.

5 Conclusion

These findings from our interviews demonstrate that the structural constraints that generate and reproduce the overall career disadvantages of Japanese SIEs in the Hong Kong labor market are social constructs. Japanese firms seem to treat Japanese SIEs by a membership-based employment practice, but the SIEs also used to enjoy their job opportunities merely for the fact of being Japanese speakers. This prolonging interdependent relationship has rationalized the marginalization of Japanese SIEs on both labor supply and demand sides. If Japanese people want a globally competent career, they need to challenge a different context from Japan immediately.

Meanwhile, the global competition will change the opportunity structure for Japanese expatriates. The change in opportunities may result in more severe labor market situations for Japanese SIEs in the short run because the localization is probably inevitable. However, when it comes to reconsidering the legitimacies of the organizational and cognitive schemas in career opportunities under the labor market change, it is possible to find a more resilient opportunity structure. Staffing agencies in destination societies will play an important role at that time. Furthermore, it is possible for

Japanese SIEs in other Asian societies to have similar career experiences in the future. Our structural approach has the potential to develop our understandings about the global careers of Japanese people.

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