

Research notes

Long-term Employment as a Social Norm: An Analysis of the JILPT “Survey on Working Life” (1999–2015)

Koji Takahashi

I. Is long-term employment still supported?

During Japan’s postwar rapid economic growth (1955–73), major Japanese corporations are said to have begun to adopt the practices of long-term employment, seniority-based personnel management, enterprise-based labor unions and other such approaches that came to be known as the “Japanese-style employment system.” But are these practices still widely implemented and supported today? Drawing on data from an attitude survey conducted by the Japan Institute for Labour Policy and Training (JILPT), this paper aims to ascertain the current trends in people’s opinions regarding long-term employment in contemporary Japan, and to examine whether long-term employment remains a social norm in this society.

According to the results of the JILPT’s Research Project “Employment Systems and the Law” (FY 2014–2016), the number of employees under the Japanese-style employment system has decreased in comparison with its former level due to the rise in the number of non-regular workers (i.e., workers *not* under open-ended, full-time, direct employment arrangements) within companies. On the other hand, it was also revealed that—in the case of regular workers—the practice of long-term employment is maintained, in the sense that both employers and labor unions still seek to avoid making dismissals or voluntary retirement solicitations (Takahashi 2018).

What does the future hold for the long-term employment of regular workers? Various factors need to be taken into account when forecasting future developments, such as the declining birth rate

and aging population, labor shortages and the intake of foreign workers, the curbing of long working hours, and legislation intended to eliminate the disparities in treatment between regular and non-regular workers. One more factor that also needs to be considered is the social norms regarding the practices of employers and employees (Jacoby 2005, 37). Here, “social norm” means a shared expectation of behavior that is considered culturally desirable and/or appropriate (Scott 2014, 519).

Companies do not necessarily pursue their employment systems in line with social norms. And yet, in a mature society, it seems unlikely that companies’ employment systems and practices would take on a life of their own, entirely independent from social norms. For instance, public opinion have an impact on legal reform, and workers’ opinions influence labor-management negotiations. There are also cases in which workers and citizens, in their role as consumers, boycott the products or services of companies whose personnel management practices are in violation of the law.

With such issues in mind, this paper focuses on people’s opinions of lifetime employment as one indicator to judge whether long-term employment has the aspect of a social norm. Following an outline of the attitude survey in the next section, it examines the growth in support for lifetime employment, the correlation between the evaluation of lifetime employment and career orientation (workers’ preferred types of career path), the typical characteristics of employed persons who support (or are critical of) lifetime employment, and the shift in the opinions of young men. The final section

discusses the potential future trends in people's opinions of long-term employment, and concludes that long-term employment has been established as a social norm in contemporary Japan.

II. The JILPT “Survey on Working Life”

Twenty years ago, the Japan Institute of Labour (former organization of JILPT) launched the “Survey on Working Life” as a survey repeated at intervals of a few years to ascertain the trends in public attitudes toward the Japanese-style employment system and the underlying values behind them. At the time, there was considerable awareness of the fact that the various mechanisms supporting Japan's industrial society had ceased to function sufficiently, and lively debate was underway on policies directed at reforming those mechanisms. The survey was seen as an essential means of gaining an accurate picture of social norms that could be drawn on to ensure that such reforms would not cause significant friction in society and damage to the economy (Ono 2004).

The “Survey on Working Life” was conducted a total of seven times between 1999 and 2015. Each time the subjects consisted of 4,000 men and women aged 20 or above, randomly sampled from across Japan. The response rate was 69.5% at its highest (in 2000) and 53.0% at its lowest (in 2015). The significance of the survey and commentary on the findings of the most recent survey are covered in detail in Ikeda (2013) and Gunji (2016), respectively.

This analysis will largely focus on the responses to one of the questions that appeared in the survey: “What is your opinion on lifetime employment in Japan where one works for a single company until the mandatory retirement age?” While the number of workers remaining in employment with the same company until mandatory retirement has in fact always been somewhat low, this question is adopted here as one indicator of respondents' approval or disapproval of long-term employment.

III. Analysis results

1. The growing support for lifetime employment

Figure 1 (the pie chart) draws on results from the most recent survey (2015) to show citizens' levels

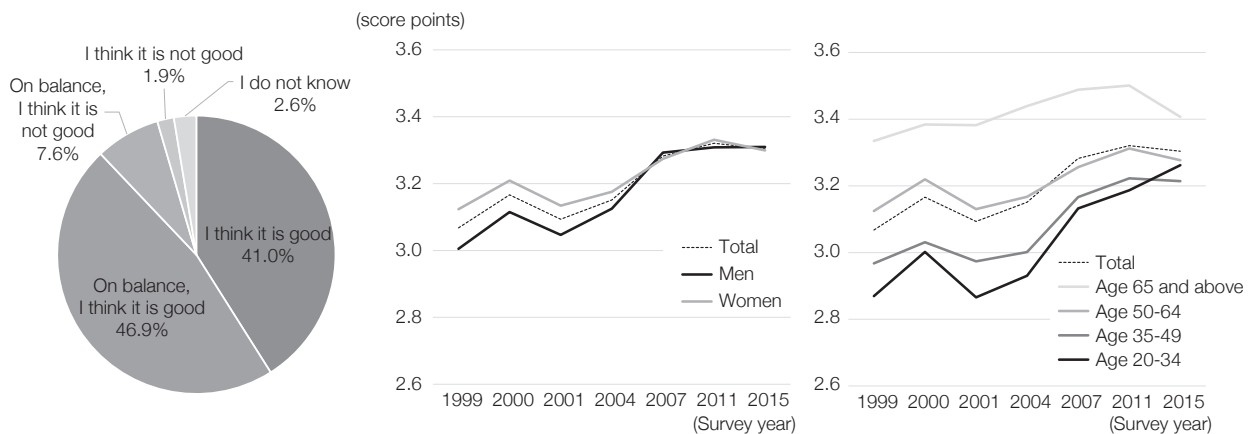
of approval or disapproval of lifetime employment. This reveals that some 87.9% of citizens evaluate lifetime employment positively (the total rate of respondents who answered either “I think it is good” or “On balance, I think it is good”).

The line graphs show the trends in the score of support for lifetime employment by gender and age, across all seven surveys. This demonstrates that support for lifetime employment is growing, among both men and women and across all age groups. The breadth of increase is particularly high among men and young people, which are groups where the support score was originally low.

2. Consistency with opinions on similar topics

Support for lifetime employment is closely connected with opinions regarding corporate organizations or labor policies. While the data are omitted here, there is a strong tendency among people who support lifetime employment to take a positive stance toward “Japanese-style system of seniority-based wages, where salaries are increased along with the years of service in employment at an organization” and toward “having a sense of unity with the company or workplace.” In contrast, people who do not support lifetime employment tend to be in favor of “developing one's own skills and making one's own way, without relying on an organization or company” and tend to believe in the importance of “supporting the creation of new employment opportunities” as a measure for addressing unemployment. These responses are consistent with the findings of research on employment systems and labor markets.

Approval or disapproval of lifetime employment is also strongly linked with the respondent's career orientation. Figure 2 shows a breakdown of the percentages of people who think that lifetime employment is “good” (respondents who answered “I think it is good”), by the respondent's career orientation. This reveals that, regardless of the timing of the survey, people who prefer “working long-term at one company and gradually reaching a managerial position” are most positive toward lifetime employment (48.4%–60.4%) and people



Source: JILPT "Survey on Working Life."

Note: The lifetime employment support score is an average of the responses, where "I think it is good" is allocated 4 points, "On balance, I think it is good" 3 points, "On balance, I think it is not good" 2 points, and "I think it is not good" 1 point. (The response "I do not know" is excluded.)

Figure 1. Levels of support for lifetime employment (left: 2015; right: all seven surveys)



Source: JILPT "Survey on Working Life."

Notes: 1. The figures are for those who answered "I think it is good" in response to the question "What is your opinion of Japanese-style lifetime employment, namely, working at one company until mandatory retirement age? Choose one from below."

2. In addition to the above, the response options on career orientation included "Starting out as an employed worker and later becoming self-employed," "Being self-employed from the start," "Cannot say which," and "Do not know."

Figure 2. Breakdown of percentages of people who think that lifetime employment is "good" by career orientation

who prefer "experiencing several companies and becoming an expert in a certain type of work" are most negative toward lifetime employment (17.1%–24.8%).

3. Types of people who support lifetime employment

Which types of people support lifetime employment? Table 1 shows the results of OLS regression for which the explained variable is the score of support for lifetime employment (1–4

points) for the employed persons surveyed in each survey year. The explanatory variables used are the female dummy, age, year of education, employment type (four categories), year of service, and annual income.

The results of this analysis indicate the following trends. Firstly, while up until the year 2000 the lifetime employment support score was significantly high among women, this trend is not apparent from 2001 onward. Secondly, up until 2004, the score was higher the older the respondent, but from

Table 1. Estimates of lifetime employment support score (OLS, non-standardized coefficients)

	1999	2000	2001	2004	2007	2011	2015
Female	0.146**	0.119*	0.030	-0.006	0.003	0.024	0.024
Age	0.009**	0.007**	0.004	0.007**	0.001	0.002	0.002
Year of education	-0.012	-0.015	-0.039**	-0.019	-0.021	0.003	0.003
CEOs and directors (Regular employees)	-0.362*	-0.392**	-0.128	-0.133	-0.245*	-0.125	-0.125
Non-regular employees	-0.116	-0.151*	0.100	0.019	0.046	0.020	0.020
Self-employed workers	-0.285**	-0.150*	-0.282**	-0.249**	-0.047	-0.148*	-0.148*
Year of service	0.007**	0.005	0.009**	0.008**	0.007**	0.009**	0.009**
Annual income [million yen]	-0.012	-0.007	-0.008	-0.017	-0.002	-0.006	-0.006
Constant	2.728**	2.947**	3.275**	3.013**	3.339**	3.038**	3.038**
F-value	8.544**	7.358**	10.539**	7.813**	3.894**	4.200**	3.345**
N	1427	1380	1451	1285	1060	1209	1100

Notes: 1. ** $p < 0.01$. * $p < 0.05$.

2. Reference group indicated in parentheses.

2007 onward the score did not differ according to age. Thirdly, focusing on differences according to employment type, employed persons other than regular workers are for the most part critical toward lifetime employment. This trend is particularly prominent among self-employed people. In other words, there is a significant difference in approval or disapproval of lifetime employment between those who work as employees and those who do not (self-employed or other such workers not under employment arrangements). On the other hand, the difference between regular workers and non-regular workers is not considerable. This brings us to the important discovery that the division in Japanese society between regular and non-regular employment is not necessarily generating a division in social norms. Fourthly, as expected, the lifetime employment support score is high among people who have been working for their organization for many years. Finally, the score does not differ significantly according to their annual income.

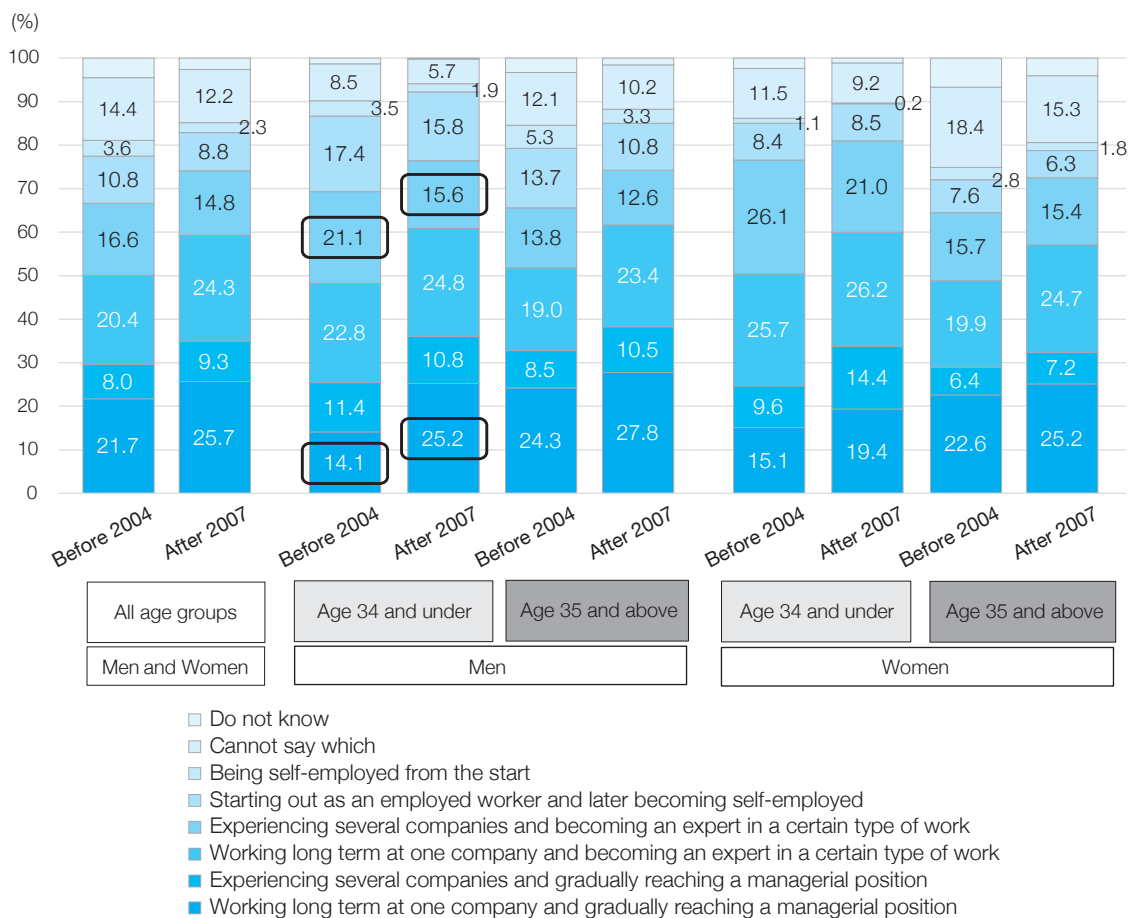
4. The reverse in career orientation among young men

The OLS regression revealed that the differences in the lifetime employment support score by gender and age decrease the closer to the present, as also seen in Figure 1. The important question to explore

here is why young men now have a positive stance toward lifetime employment, which is a switch from their previously negative stance. Figure 3 addresses this by setting out the changes in career orientation by gender and age before 2004 and from 2007 onward. This reveals that—particularly among young men—there is a decrease in the number of respondents who prefer “experiencing several companies and becoming an expert in a certain type of work” (from 21.1% to 15.6%) and an increase in the number of respondents who prefer “working long-term at one company and gradually reaching a managerial position” (from 14.1% to 25.2%). As seen in Figure 2, the career orientation of the latter category is closely linked with support for lifetime employment. This may have prompted a rise in the support for lifetime employment among young men.

IV. The past, present and future of the long-term employment norm

The years around the launch of the survey in 1999 were a time of unprecedented shifts in Japan’s labor market. In 1995, a report by the Japan Federation of Employers’ Associations advocated that companies build their “employment portfolios” that combine three types of workers by employment types: long-term core employees who pursue their careers at one organization, skilled technical specialists with



Source: JILPT "Survey on Working Life."

Figure 3. Changes in career orientation by gender and age

the advanced expertise to tackle specific issues, and flexible workers who are hired temporarily for certain tasks. The year 1997 saw the relaxation of regulations on employment placement services for white-collar workers. In 1999, the regulations of the Worker Dispatching Act were relaxed to lift most of the restrictions on the types of work for which dispatched workers could be utilized. Moreover, with Japan's economy in a particularly critical state, the unemployment rate rose to as high as 5.4% in 2002 (its highest level in the period between Japan's rapid economic growth and the present). With such signs of the emergence of a fluid labor market at the turn of the century, young men may have been prompted to focus on equipping themselves with expert skills and developing their careers by changing jobs, rather than relying on long-term employment.

Nonetheless, such a career approach did not really become widespread in the 2000s. The rate of people entering employment at major corporations following a job change has indeed risen in comparison with the 1990s, but turnover rates in these companies have decreased since their peak in 2002 (Takahashi 2018). Young men may have reversed their thinking from the late 2000s to 2015, due to a realization that it is difficult to develop a career by repeatedly changing jobs, and therefore began to choose to remain in continuous employment at one particular company as a means of developing their careers up to managerial level. It is likely that companies are ultimately expecting that the workers they hire will settle and remain in their jobs. These may be factors contributing to the growth in support for long-term employment among young men.

On the other hand, with increasingly severe labor shortages, the number of people changing jobs due to the pull of demand might rise to higher levels in the future. If this happens, there may be some form of impact on workers' career orientation and opinions about long-term employment. Nevertheless, as indicated by the results of the attitude survey conducted between 1999 and 2015, here it can be concluded that long-term employment is firmly established as a social norm, with growing support among young men and other segments of the population.

References

- Gunji, Masato. 2016. "Wakamono ga 'nihon-gata koyō' shiji ni" [The growing trend of young people supporting Japanese long-term employment]. *Gekkan rōdō kumiai*, no.629 (November): 38–41.
- Ikeda, Shingou. 2013. "Rōdō kenkyū ni okeru ishiki chōsa no igi" [The significance of attitude surveys in labor studies]. *Business Labor Trend*, 460 (July): 20–21.
- Jacoby, Sanford M. 2005. *The Embedded Corporation: Corporate Governance and Employment Relations in Japan and the United States*. New York: Princeton University Press.
- Ono, Akira. 2004. Introduction to *Kinrō ishiki no yukue* [How work consciousness changes: Analysis of the survey results on Working Life (1999, 2000, and 2001)]. JILPT Research Report no.2. by the Japan Institute for Labour Policy and Training. Tokyo: JILPT.
- Scott, John. ed. 2014. *A Dictionary of Sociology*. 4th ed. Oxford: Oxford University Press.
- Takahashi, Koji. 2018. "The Future of the Japanese-style Employment System: Continued Long-term Employment and the Challenges It Faces," *Japan Labor Issues* 2, no.6: 6–15.

Koji Takahashi

Vice Senior Researcher, The Japan Institute for Labour Policy and Training. Research interest: Non-regular employment.

<https://www.jil.go.jp/english/profile/takahashi.html>

