

Occupational Goals in Japan: Short-term versus Lifetime Employment

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In recent years, Japan's traditional employment structure has begun to shift. Historically in Japan, employees expected to work for the same organization throughout their professional lives, gaining experience and garnering respect as they grew in seniority. Known as "lifetime employment," this occupational approach typified the Japanese professional experience. Today, though lifetime employment still persists in many companies in Japan, more and more workers, many of them recent graduates, are changing jobs in search of better prospects. The companies that hire this new breed of employee are looking for recruits who have the requisite experience, but lack the expectation of respect and promotion simply by virtue of their years of service. In the Tokyo metropolitan area in particular, a number of companies have embraced this short-term employment system.

What are the differences between Japanese who change jobs and those who work in the same place all their lives? In 2005, the Social Stratification and Mobility Study (SSM Study) provided new perspective on the changing face of Japanese job mobility. A large-scale survey, social survey professionals have conducted the SSM Study every ten years since 1955. This article is based on the fourth release data (November 2007 version), which was prepared by the 2005 Social Stratification and Mobility Study Group.

Several patterns emerge in the SSM Study data. First, much depends on when an employee first began working. Those (male) workers who started their first job after 1950—especially during Japan's post-World War II rebuilding phase or the economic bubble of the early 1990s—are much more likely to change jobs than those who started their first job before that year. In particular, those employed during the rebuilding era have tended to change jobs multiple times.

Second, Japanese employees behave differently depending on the size of the enterprise at which they work. At governmental organizations or large enterprises with more than one thousand employees, for example, workers who started their first job there tend to stay there. As the organizations diminish in size, this tendency likewise decreases. At mid- or small-size organizations with fewer than three hundred employees, workers who started their first job there tend to change their job earlier than their counterparts at bigger employers.

Third, with respect to job type, white collar professionals tend to keep their first job, whereas blue collar workers change job more often. More specifically, there is little job movement, for example, among those employed in educational or research services. However, in mining, transportation, manufacturing, sales or wholesale businesses, legal and accounting services, communications, and advertising, workers regularly change job due to long hours coupled with low income.

Fourth, in terms of educational background, workers who have attended college, university, or graduate school often stick with their first job. Workers with high school or junior high school levels of educations are more likely to move on from their first job within first few years.

Why do Japanese workers change jobs? The SSM Study indicates that, among those moving from their first to their second job, 33 percent did so for a "better" position. Ten percent made the switch

because they were dissatisfied and wanted a change, or because they were either laid off or the company went bankrupt. The Study also shows that the 33 percent who sought better work also tended, in making such a change, to increase both their income and job prestige, and to affiliate with larger organizations. Many workers who secured better jobs were more educated; the 10 percent who cited job dissatisfaction as the reason for their move tended to be less so. More detailed analysis of the SSM Study reveals that more than 50 percent of those who moved on to a second, better job not only felt that they were better off, but also that they actually joined a smaller organization. This data point shows that a “better” job in Japan does not always mean working for a large, well known company.

The SSM Study considered other important elements of the job-changing experience, including the patterns of change as they relate to job prestige and autonomy. People who moved from large companies tended to be forced into smaller companies, whereas workers from mid- or small-size companies (fewer than three hundred employees) often remain in that size bracket. Most workers experience increased job prestige when they change jobs; this is especially true of educated workers who change job after building up ten or more years of experience at their first job. The exception to this pattern is white collar employees, whose prestige is high beginning with the very first job they take and therefore less likely to rise significantly thereafter.

The SSM Study showed that white collar workers—and, interestingly, particularly those working in sales—enjoy enhanced autonomy after their job change. Generally, job changes result in “better,” more autonomous employment and higher prestige, if at a smaller organization. People who change their job, therefore, tend to be more motivated by job prestige and increased professional autonomy than by the size of the employer, or even the income level.

Job mobility in Japan is still in an early phase. In the country’s large companies, educated white collar workers—those who theoretically possess the greatest potential for upward job mobility—still tend to stay with the same organization for most of their professional lives. Those relative few who do move report increased satisfaction with their autonomy and/or their job prestige, even in cases where they join a smaller company or take a pay cut. In an effort to move beyond traditional lifetime employment, the Japanese government now encourages the job mobility, but workers have yet to embrace the system on a large scale.

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