

Master's Thesis

Transferability of Lifetime Employment System to Vietnam

by

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Certification Page

I, Name as Shown on ID (Student ID 52116007) hereby declare that the contents of this Master's Thesis / Independent Final Report / Internship-based Case Study are original and true, and have not been submitted at any other university or educational institution for the award of degree or diploma.

All the information derived from other published or unpublished sources has been cited and acknowledged appropriately.

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2017/11/28

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Summary

The objective of this study is to investigate the transferability of lifetime employment to Vietnam and its incentive effects on stimulating Vietnamese employees' loyalty. Moreover, it also examines the impact of national factors comprising national institutions and national culture on the adoption of this system in Vietnam by making a comparison of Vietnamese and Japanese culture basing on Hofstede's 6D- framework of cultural dimensions, and comparing Vietnamese labor law with Japanese labor law according to Vietnam Labor Code 2012 and Japan Labor contract act 2007. Then, descriptive analysis is utilized as the main approach in this study and data are collected from multiple choice questionnaires of 459 respondents and in-depth interviews of 4 Japanese manufacturing subsidiaries in Vietnam including Panasonic, Kirin, Takako and Hariki Precision. The findings reveal that high power distance and femininity embedded in Vietnamese culture are the two determinant factors which may impair lifetime employment in Vietnam, plus the flexibility in Vietnamese termination law that may lead to the failure of its transferability to Vietnam. Therefore, in order to stimulate Vietnamese employees' loyalty, it is a suggestion for managers to perceive their employees' internal motivations which are derived from high power distance and femininity culture so that they can determine what kinds of strategic management to adopt and which managerial factors should be adjusted appropriately. The results of this study demonstrate that Vietnamese employees consider effort recognitions and managers' attitudes and treatments as core components to construct their corporate loyalty rather than employment security. Hence, the management in Vietnam should create incentives such as rewards or promotion opportunities which Vietnamese employees are most concerned in order to motivate them. In addition, managers are advised to control their behaviors in order not to engage in unethical behaviors or misconducts which are prone to be in high power distance organizations (Naresh, 2009). Instead, a friendly working place with low power distance should be created to stimulate employees in participative management, more intellectual contributions and loyal spirit. Once employees' requirements are met and their job satisfactions are achieved, productivity can be yielded as Mitchell and Larson (1987) insisted that productivity could never been gained without motivating employees that employers should seriously take into account.

Organization of the study

The study comprises six chapters which are organized in order as follows:

Chapter 1 is introduction which presents my motives of conducting the study in which I will depict the dilemmas of Vietnam's job mobility and the rationales as well as inspirations for my selection of lifetime employment to research

Chapter 2 provides the conceptual framework showing influential factors on lifetime employment, its features and reveals research questions twirling the transferability of lifetime employment to Vietnam

Chapter 3 is related to literature review which shows relevant researches about lifetime employment comprising its different aspects such as definitions, origin, characteristics, arguments and determinant factors for its success in Japan such as Japanese institutions and Japanese culture. Moreover, I also demonstrate the similarities and differences between Vietnamese and Japanese culture basing on Hofstede's theoretical framework and come up with research questions

Chapter 4 describes the research method which is descriptive analysis by integrating interviews and questionnaires in which questions are designed to address the research questions swirling around lifetime employment system and employees' loyalty

Chapter 5 presents the findings and discussions in which high power distance and femininity culture are proved as driven factors impairing lifetime employment in Vietnam and the differences in dismissal law of Japan and Vietnam also contribute to its failure.

Chapter 6 contains recommendations which are drawn from the findings and discussions. Managers in Vietnam are suggested to perceive internal motivations of their employees to adjust managerial tactics appropriately to meet their employees' expectations

Chapter 7 is a summing up of the central point that lifetime employment is failed to generate Vietnamese employees' loyalty because of high power distance and femininity culturally embedded in Vietnamese employees' behaviors, plus the flexibility of Vietnamese termination laws

I. INTRODUCTION

Job mobility is a problematic issue in Vietnamese's human resource management. A recent survey from a job hunting company in Vietnam revealed that 85 per cent of 13,000 employees who were surveyed discontent with their jobs and more than 73 percent of survey takers were expecting to change jobs in which mid career with one to three years of working experience accounted for 87 per cent. Moreover, the main reasons were attributed to be vague career path and no promotion opportunity with more than 50 percent of answers in the survey (Jobstreet, 2016). In addition, the previous studies on the impact of job mobility indicated its aftermaths such as knowledge transfer or spillover (Argote and Ingram, 2000), income reduction in case of job mobility in both industry and occupation (Mark, 2013), enlargement in economic and social inequality (Mouw and Kalleberg, 2010), and training cost which is drawn by Boeing' s painful lesson of employment commitment in 1996 .Therefore, it motivates me to conduct a research on resolution approach of the prevailing job mobility in Vietnam. How to stimulate Vietnamese employees' corporate loyalty is questionable. Although there might be some measurements taken to resolve the problem of the high employment turn over rate, almost no research and academic paper have been conducted on it in Vietnam as my attempt on quest. As observed, what companies usually engage to retain their employees is raising the salary, but it appears to be less effective and considered as a provisional resolution for deterring them from temporary leave since they will also migrate to other companies once receiving better offers. Hence, employees' loyalty can not be only exchanged by pecuniary resort. In deed, the results of the survey on job mobility reasons mentioned above reflected the significant

role of career development rather than that of salary, in a sense that employees' loyalty could be generated by human capital investments and opportunities for them to move up

In the light of calling on corporate loyalty, I am inspired by some previous studies of "lifetime employment system", one of the distinct and unique features of Japanese management practice which has been widely recognized by numerous scholars. This system was considered as one of the 'pillar' or even 'sacred treasure' of Japanese human resource management (Abegglen and Stalk 1985; Whitehill 1991) due to its contributions to the competitive advantages of Japanese organizations through its incentive effects and employees' loyalty stimulation (Abegglen 1958; Dore 1973; Moriguchi and Ono 2004), foster long term human capital investment, enhance workers' incentives (Kato and Morishita 2002; Moriguchi and Ono 2004). Hence, it turns into an inspiration to my research on transferability of Japanese lifetime employment system to Vietnam and my objective is to examine its effectiveness on exhorting Vietnamese employees' loyalty. In addition, addressing to the research, "National Factors and Employment Relations in Japan" (Adhikari, 2005) sparks me up and leads my research to explore the impact of national culture and institutions on the transferability

Regarding the effects of culture, Hofstede's cultural dimension framework has been widely recognized by numerous scholars and utilized as a major resource in cross-cultural studies such as "The cross-cultural transfer of Japanese HRM practices in Singapore" (Gill and Wong, 1998), or " Organizational commitment and work-related cultural values" (Barbara and Josephine, 2010). Hence, this cultural approach is also utilized in my paper

According to Hofstede (1997), Vietnam and Japan were collectivist societies where individuals depend on groups that deal with them for trade of loyalty. Further, a recent research of Takashi Saito in 2010 revealed the positive relationship between lifetime employment and collectivism by concluding that individuals supporting collectivism over individualism tend to have great picture on lifetime employment system. Therefore, to some extent, it makes me believe that lifetime employment can be transferable to Vietnam where collectivism scores at 70 (Hofstede, 1997). However, it is contingent upon peculiarly social institutions of each country, lifetime employment is likely to be successful or not. As Hamzah (1989) explained that Japanese management practice is an outflow of Japanese culture, thus the most extreme effectiveness might be constrained to the Japanese settings and might not be fruitful in other countries .As a result, the transferability of lifetime employment to Vietnam with the mission to generate Vietnamese employees' loyalty is questionable and needs investigations in this paper.

II. CONCEPTUAL FRAMEWORK AND RESEARCH QUESTIONS

The conceptual framework reveals how ideas are organized and provides directions for this study

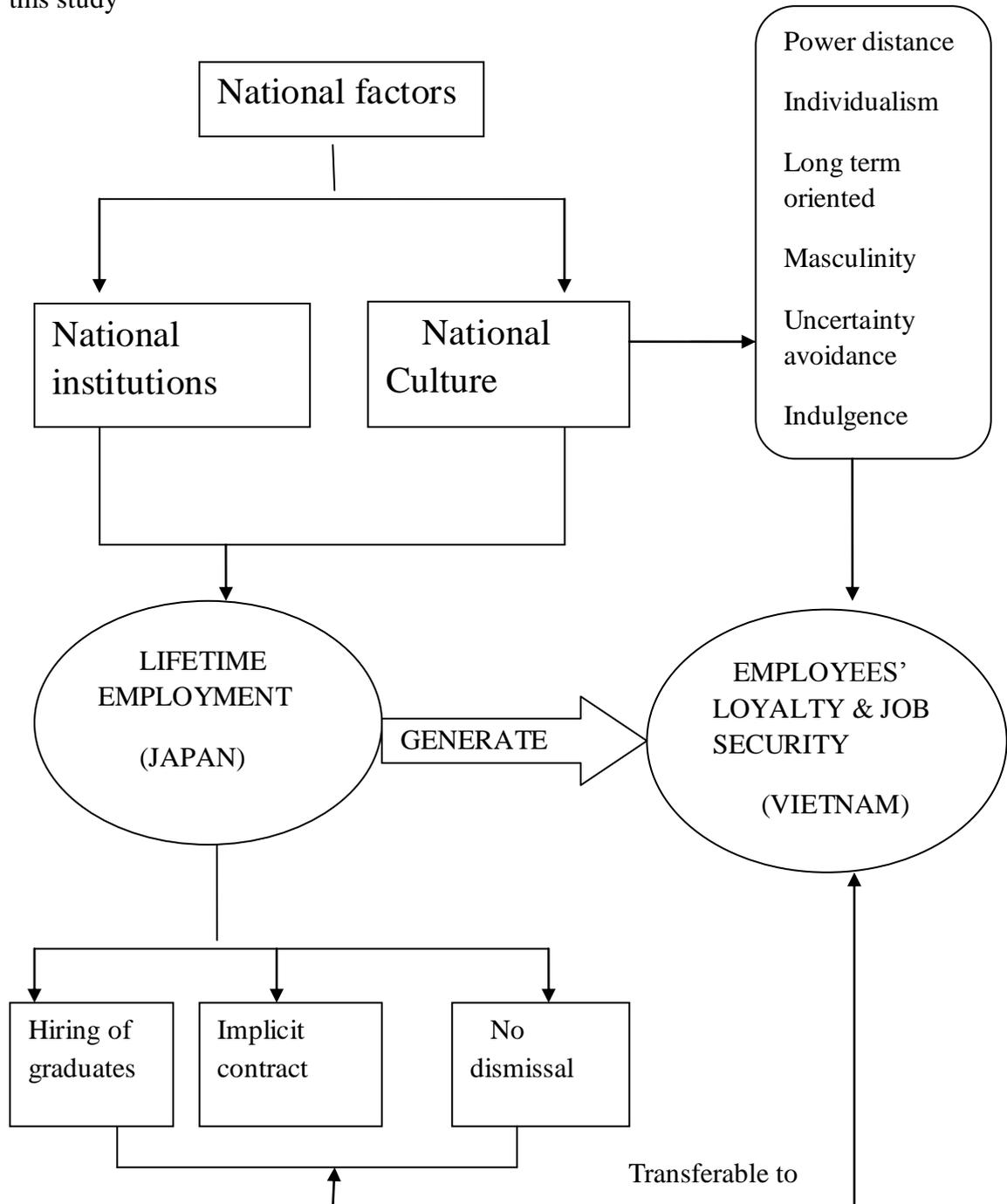


Fig. 1: The conceptual framework of lifetime employment transfer from Japan to Vietnam

In the framework, employees' loyalty and job security are supposed to be generated by lifetime employment system which is characterized by the main features comprising hiring of graduates, no dismissal and implicit contract of long term commitment. The effectiveness of this system is determined by national factors including national institutions and national culture which is measured by six cultural dimensions including power distance, individualism, long term oriented, masculinity, uncertainty avoidance and indulgence based on Hofstede's theory .

The purpose of this study is to examine whether lifetime employment system can be transferable to Vietnam or not basing on similarities and differences between Vietnamese and Japanese culture and institutions. Therefore, my research questions are

- 1) *Is "lifetime employment" originated from Japan transferable to Vietnam?*
- 2) *Can this system encourage Vietnamese employees' loyalty and resolve job mobility?*

If this system is transferred to Vietnam, how would it be hybridized with respect to Vietnamese culture and institutions?

III. LITERATURE REVIEWS

1. LIFETIME EMPLOYMENT

1.1 Definition and characteristics

Lifetime employment was first termed by Abegglen (1958) in the book “The Japanese Factory: Aspects of its Social Organization”, which demonstrated distinctive characteristics of personnel management practice in Japan based on unique Japanese culture. According to Abegglen (1958), lifetime employment system was the social contract between the company and worker, and this system was described as follow :

The workers confer themselves on the entrance to the organizations for the rest of their working life. The organizations will not lay off them even incidentally except in the most extraordinary conditions and they will not leave the organization for migration to other corporates. They consider themselves as members in the organization like members in the families, brotherly associations, and cordial groups

In another research, lifetime employment system was characterized by two essential elements: (1) hiring of new graduates and in on job training, and (2) securing their employment until reaching retirement ages without dismissal (Susumu Watanabe, 2000). Later, the official concise definition of the Japanese lifetime employment came into sight in the book named the Blackwell Encyclopedia of Sociology, definitive reference sources, lifetime employment in Japan was defined as follows:

“...a set of human resource management practices uniquely developed and institutionalized in Japan, which hires employees immediately after their schooling and

then continuously employs them on fulltime and presumably indefinite contract bases until they retire.” (Blackwell, 2008: 362),

In terms of corporation type and size embracing lifetime employment system, Dore (1973) assumed that it was granted for permanent employees in government, and large corporations with more than five hundreds of employees. In line with Dore, Cole (1979) complemented female barely enjoy lifetime employment system. At that point, in 1993, The Ministry of Labor portrayed the the system as core male workers in state-owned companies, and in the non-agricultural organizations with more than 500 workers

As far as characteristics, the lifetime employment institution was typically shaped in the following four specific traits and executed by employers (Gordon 1985, 1998; Moriguchi and Ono 2004; Ono 2007):

- (1) For recruiting workforces: Hiring new school graduates periodically
- (2) For developing workforces: Human capital investments
- (3) For retaining workforce: Seniority-based wage/salary and promotion systems
- (4) For renewing workforces: Age-based mandatory retirement rules

Moreover, many scholars such as Koike (1988) and Kato (2000) underlined that on job training system and compensation system played major roles in supporting lifetime employment and made it come into fruition in Japan. Accordingly, some activities for personnel advancement such as on job training, job rotations, quality circles generated employees’ productivity over their tenure . Plus, compensation policies provided them with incentives to attempt to acquire knowledge and skills through training investment and retain their employment through seniority- based remuneration or promotion.

In addition, two additional supportive elements were attributed to be employment adjustment methods implemented by employers and enforcement by Japanese governments which were inherently observed through historical events such as Oil Crisis or Post Bubble challenging to the constant practice of lifetime employment . For instance, during the economic stagnation periods, instead of dismissal, employers adopted alternative ways to reduce labor costs such as new recruitment termination, employees transfer in intra and inter-corporations, voluntary retirement. Furthermore, trade union law and complementary institutions were considered as catalysis for the remarkable existence of lifetime employment despite business downturns

The competitive advantages that Japanese organizations can generate from lifetime employment are:

- Stability and a long-term relationship as employees are not afraid of being sacked, and employers ensure their staffs not to migrate to their competitors
- Skilled workforce through on job training
- High labor motivation and productivity
- Profession assurance and social security

1.2 The origin and arguments

Lifetime employment was ascribed to take root from corporate welfare developing during the interwar (Moriguchi, 2000). As a result of World War I (1914-1918), Japan achieved rapid growth of heavy industries and an advanced production technology entailing deficiency of proficient workforce. Therefore, in order to train and retain

skilled workers, Japanese employers adopted various strategies which could motivate employees and encourage their loyalty (Kyochokai 1924). Thereafter, at the summit of Japan's industry, Abegglen and Stalk (1985) introduced the book, "Kaisha: The Japanese Corporation" demonstrating competitive advantages of lifetime employment system as it could satisfy the needs of both employers and employees. The system was identified as an exchange-off between rewards and employment security, in this case Japanese employees seemed to incline toward the latter then. Furthermore, lifetime employment was assumed "not only a near-absolute moral commitment, but also a commitment of traditional inspiration" (Abegglen and Stalk, 1985). The traditional factor also alluded by Hazama in 1963 who regarded corporate workforce as family members in an organization, and insisted that lifetime employment was originated from the traditional concept of family. For instance, the traditional respect for elders in Japan is likewise in some cases used to clarify the wage and promotion system based on length of their contribution to the corporations (Hazama, 1963)

Following Abegglen, many scholars expressed their viewpoints on the goals, features and functions as well as values of the lifetime employment :

Thomas E. Maher (1985) elucidated "historically, the primary goal of life time employment in Japan has not been humanitarian and its purpose is to inhibit employee mobility". Hasegawa (1986) appeared to have the same perspective when assuming that lifetime employment aimed to boost stability and an awareness of binding and fidelity to the organization, it was a general guiding principle rather than an assurance. In addition, it was not a contractual state (Itoh 1991) and it should be comprehended as long term commitment rather Beardwell (1994).

However, Hampden-Tumer (1993) argued that “lifetime employment is an act of generosity and indulgence for which the recipient is beholden and which he or she should work as hard as possible to repay”. Nevertheless, it could generate the long haul improvement of employees and succeeding scheme for which may benefit both employers and employees (Holden, 1994). Supporting this opinion, Onatowsky (1998) and Jansen (2001) asserted that job satisfaction yielded productivity among employees, and productivity could not be gained without motivating their employees (Mitchell and Larson 1987). Therefore, lifetime employment was believed to be always prevalent to employees because it could guarantee them work for life (Lincoln and Nakata 1997; Arai 1998; Selmer 2001). Undoubtedly, lifetime employment was considered as one of the 'pillar' or even 'sacred treasure' of Japanese human resource management (Abegglen and Stalk 1985; Whitehill 1991) due to its contribution to the success of Japanese corporations and the country's rapid economic development (Clark 1987, Arai 1998)

1.3 Controversies between its demise and resilience

As opposed to appraisals, there were some critiques of the lifetime employment system and predictions for its demise .For instance, the system has a rationale and obliges employees to get their work everlastingly (Kenney et al 1998; Ornatowsky 1998), hence, lifetime employment was supposed to be like an iron-cage (Alvesson 1994; Foucault 2000) because Japanese workers are as though being detained in firms for their entire lives. The core worker- based system influenced operation approach of firms, and it did not appear to benefit both firms and workers in the high growth and prior to aging population period (Katz 2006). In line with this argument, Cole (1971) explained that lifetime employment system might not be applicable under high

economic growth since chronically insufficient labor would be more likely to induce job mobility among employees. In contrast, when the economic slowdown , lifetime employment was assumed to collapse since Japanese corporations cannot modify the management practice rapidly in response to economic depression (Chen, 1995). Similarly, the economic stagnation in the 1990s associated with prevalence of global financial market would be predicted to change Japanese managerial tactics entailing adoption of Anglo American human resource management styles, such as cutbacks, performance-based pay, and recruitment of mid-career, and diminish the precarious between management and labor (Beck, 1994)

In the wake of Japan's Great Recession or Lost Decade in 1992–2002, the notably lifetime employment were strongly believed to be ended when Japanese companies started restructuring by putting in for new policies such as early retirement, cutbacks in retirement, or even dismissals and replaced by peripheral workers in order to reduce labor costs and facilitate their survivals . For example, in Dec 1999 through six year restructuring program, Nippon Steel Corporation (NKS) cut back 45% of labor force by encouraging early retirement, business line transfer and employee mobility to other companies (NKS, 1999). At that time, a large number of books were published with conspicuous titles such as “Fall of the Salaryman” (Utsumi, 2000) “Nails that do not stick out are thrown away” (Terao, 1998)

Furthermore, many scholars manifested their censorious perspectives toward this system which received a plenty of appraisals for yielding productivity among employees as a result of job satisfaction (Mitchell and Larson 1987; Onatowsky 1998 and Jansen 2001). However, it was argued that productivity in Japan can not be solved with “iron-cage” of employees in organizations for their entire life.”.....it will only be

remedied when organizations learn to manage employees in such a way that they can work together more effectively and efficiently....” (Ouchi, 1981). The prison-like lifetime employment system would hamper labor productivity, especially in post bubble in Japan (Clark 1987; Katz 2006). Likewise, Chuma (1998) assessed that an adjustment in the lawful condition in Japan as a result of the Oil Crisis made it much more troublesome for organizations to discharge their workers, exacerbated rigidity of labor market in Japan and elevated boundaries to the improvement of viable external labor markets. Such nonappearance of powerful external labor markets supposedly cultivated wasteful labor distributions leading to decline productivity (Ariga, 2007), a basic obstacle to the rapid and vigorous resilience of the Japanese economy (Ono, 2003).

In contrast with the insightful anticipations from scholars, experimental investigations have so far distinguished no significant change in the practice of lifetime employment relating to core workforce. This was proved in a research of Auer and Sandrine (2000) that during the economic downturn period, long-tenure workers in Japan accounted for 43 percent, while in the U.S. was 26 percent. Moreover, during the post-bubble in Japan lifetime employment has been still commonly found its existence in Japanese organizations, (Moriguchi and Ono 2004). An investigation of Schaefer in 2004 showed 87% of Japanese employees were enjoying lifetime employment. Later, in July 2003, a survey was released by the well known Press Asahi showing that 88 percent of the biggest organizations in Japan would resume practice of lifetime employment. For example, the leader of Toyota declared that lifetime employment was not an impediment but a competitive advantage, since this system has brought about skilled labor force and loyalty to the organization. For Japanese companies, workers are seemingly recognized as important assets, or an investment with real returns (Beer and

Spector, 1992). Therefore, some scholars predicted the revival of “lifetime employment” as an equilibrium given by its incentive effects and complementary institutions (Aoki, 2000 and Moriguchi and Ono, 2004)

Supportively, the latest survey from the Japan Institute of Labor policy and Training in 2011 with over 20 year old, 4,000 male/female - 2,264 responses in which 87.5% supported lifetime employment system that proved resilience of “lifetime employment” as pre anticipated

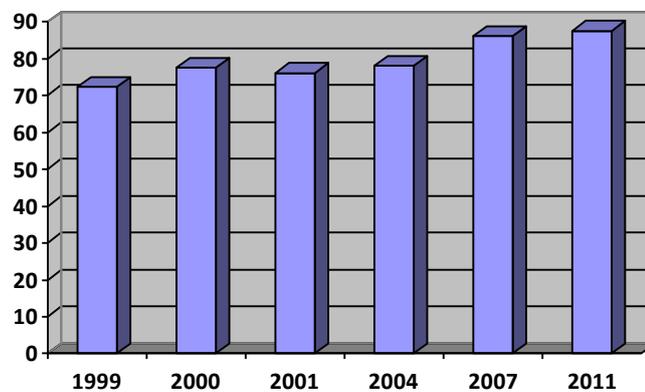


Chart.1. The percentage of Japanese employees supporting lifetime employment system (Source: Japan Institute of Labor Policy and Training (2011) “The Survey on the Work Life”)

Observing from the chart, it is apparent to realize the ascendant trend of lifetime employment support over a decade. The percentage of employees adoring this system keeps increasing from 72.3% (1999) to 87.5% (2011). From the statistical data, Peter Matanle and Kenji Matsui (2011) confidently stressed that “we believe that the prospects are good for the future stability and resilience of lifetime employment in 21 st century Japan.”

In addition, lifetime employment was found to cross the boundary of Japan, some countries adopted this system, particularly America such as IBM, Boeing, Caterpillar Delta Airlines are found to practice this system (Ichniowski and Shaw, 2009) because in any country, people are believed to desire stability in their lives as Kawato Akio, The Japanese economist concluded

However, Mito (1984) contended that it is contingent upon peculiarly social and cultural conditions of each country, Japanese management could possibly flourish, become solid and fruitful. If the cultural diversity between countries are larger, the management practices are more likely unable to transfer (Hodgetts and Luthans, 1990). As Japanese management practice is an outflow of Japanese culture, the most extreme effectiveness might be constrained to the Japanese setting and might not be fruitful in other countries (Hamzah, 1989). Then, Coleman (1990) elaborated the so called Japanese setting by pointing out the interactions between micro- and macro-level institutions, or in a specific way, lifetime employment is a result of dynamic collaborations among workers, organizations, and government in light of economic fluctuation in Japan (Ono, 2004). For instance, government formulated union law and social welfare that affected incentives of labor and management (Ono, 2004). As mentioned above, lifetime employment was implicit contract between labor and management (Itoh, 1991), however, it was found in union contracts. During business downturns, unions protected labor from dismissal and cooperated with management in resloving redundant labor such as early voluntary retirement with compensation. Unionism in this manner turned into a focal inward authorization system for the rising lifetime employment system in extensive firms. Since the late 1970s, Japanese government had put legitimate enforcement for lifetime employment to a certain extent .

1.4 National factors

1.4.1 The role of Government regulatory in preserving lifetime employment through historical events

The Oil Crisis

In 1977, the government initiated the Employment Stability Project to preserve employment security and gained acceptance from and The Ministry of Labor, the Ministry of Trade and Industry and business community because they all relied on its contribution to industrial and social harmony (Cole, 1979). The Project had two aims. The principal point was to balance out workforce by labor transfer campaign between declining industries and the growing ones. Organizations compelled to incidentally lay off laborers because of business changes were offered refunds to exchange workers in newly settled affiliates. The second one was to offer incentives to employers for retaining their employees by financing the costs incurred by human capital investment for new industries. Moreover, subsidies were also additionally given in conditions where organizations were executing short time schedules, including the individuals with no working hour or incidentally remaining at home (Genda and Rebick 2000). Under pressure from the government, Japanese organizations were required to make employment adjustment methods such as, hiring freeze, transferring workers intra- and inter-firms, selling corporate assets, cutting executive bonuses and salaries, and even cutting dividends (Shimada, 1979). Meanwhile, unions in organizations were authorized to observe managerial behaviors and enforcement to minimize unemployment rate.

They were responsible for negotiating with employers to increase wage for workers in case of gaining productivity, and acceptance of no wage growth in case of losses (Genda and Rebick 2000) , even wage reduction in the Spring Offensive of 1980 (Shimada 1992).

Post-bubble stagnation

In the 1990s, two types of government intercession likewise added to the upkeep of Japanese employment security. First, a special endowment for work creation and human capital development in fifteen new emerging fields such as information technology was implemented in 1997. Second, the government directly provided funds to organizations retaining or employing seasoned workers (Genda and Rebick 2000). The adjourned remuneration system suggested that employees more closely reaching mandatory obligatory retirement age would receive pension which is higher than their marginal product, consequently, they are prone to be sacked than younger workers. For that reason, government funds were along these lines focused on particularly protecting seasoned workers during the prolonged stagnation

In short, during the economic downturn periods, all of efforts of both Japanese government and organizations reflected high weight of employment security and evidently proved the dominance of lifetime employment through the nation's history

The 20th century

The aftermath of older workers protection led to an increment of unemployment rate among younger worker. Moreover, it might induce a loss of high-ability workforce due to target to the low one. Therefore, employers had aversion to older workers and one of the examples was found in explicit hiring criteria with age limit. According to a record

of Japan Institute of Labor in 2001, over 90 percent of Japanese organizations imposed age limits from 35 to 40 on new recruitments in 1999. Then, government amended Employment Measures Law by indicating ten exceptions of age restriction in October 2001. The fourth exception said “Cases where recruiting or hiring is intended for workers under a certain age in situations where, in order to make wage payments regardless of age to new employees, companies will be required to revise present regulations determining wages mainly in accordance with age” (Japan Institute of Labor 2001 a). Apparently this exception was to counteract interruptions in the seniority system.

1.4.2 The role of culture and social norms in shaping lifetime employment

Culture is the "software of the mind" (Hofstede, 1997), forms values, creates attitudes, and influences behaviors (Hodgetts & Luthans, 2000). Loyalty, trust, and commitment are embedded in cultural values (Ono 2004). In 2010, Hofstede introduced six dimensions of work-related cultural values which are individualism/collectivism, power distance, masculinity/femininity, uncertainty avoidance, and long term oriented and indulgence



- Individualism (IDV) : refers to how people behave toward community, whether they prefer working in group or individually.
- Power distance (PDI): refers to how inequalities are handled in a society generally and in company specifically
- Masculinity vs. femininity (MAS): refers to role distribution according to gender
- Uncertainty avoidance (UAI): refers to the level of risk acceptance and need for structure to handle uncertain situations
- Long term oriented (LTO): alludes to how society esteems long haul policies
- Indulgence: alludes to the degree to which individuals attempt to control their needs and impetus

Below is Japanese culture under Hofstede conceptual framework

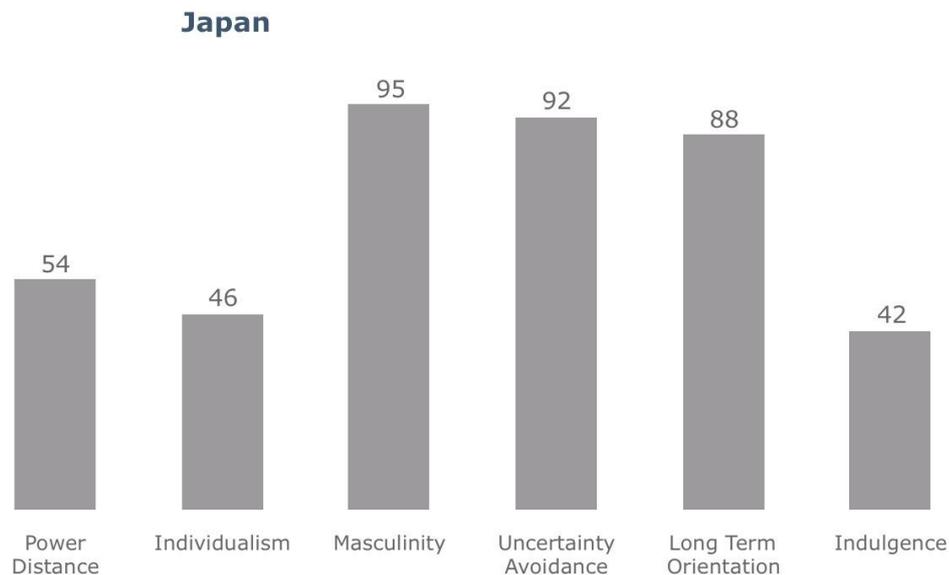


Chart. 2. Japanese cultural dimensions (Source: Hofstede insights)

The chart shows that Japan put high value on masculine (MAS), high tendency of cynicism and pessimism (Indulgence), significance on structure (UAI) and long term goal (LTO). Power distance (PDI) is moderate, but individualism (IDV) is quite low or high collectivism

Clugston, Howell, and Dorfman (2000) assumed that collectivism had a positive relation to organizational commitment and inclined to "jobs for life" while the U.S. stressed on "job hopping" as a part of individualism. In line with this assumption about "jobs for life" , some scholars insisted that for Japanese workers, work is not for a living, but work is a way of life (Abegglen and Stalk 1985 ; Whitehill 1981) because Japanese workers subjectively view their lives as a succession of promotions (Lebra 1976).This behavior of Japanese workers were constituted by the auxiliary powers inside the

corporations and society, and it had an impact on Japanese employees' consciousness and deliberateness (Alvesson and Willmott 1996; Picard and Groth 2001).

Further more, Clugston, et al. (2000) revealed that collectivism was positively related to normative commitment and uncertainty avoidance was positively pertained to continuance commitment. Similarly, Fisher and Mansell (2009) also realized the greater collectivism the more normative commitment since collectivist societies underscored compliance to standards and underlined loyalty to their groups and their organizations (Felfe, et al., 2008) and Japanese people would stay homogeneous as they depend intensely on groups to maintain stability (Gannon, 2001). That is cultural factor contributing to the success of lifetime employment in Japan, a country scored 54 on collectivism and 92 on uncertainty avoidance. Supportively, another research of Takashi Saito in 2010 pointed out the positive relation between Collectivism and lifetime employment. Therefore, it raised me a question whether lifetime employment can be workable in Vietnam where collectivism accounts for 80 percent (Hofstede, 1998).

1.5 Comparison between Japanese and Vietnamese cultural dimensions basing on Hofstede 's theoretical 6D- model

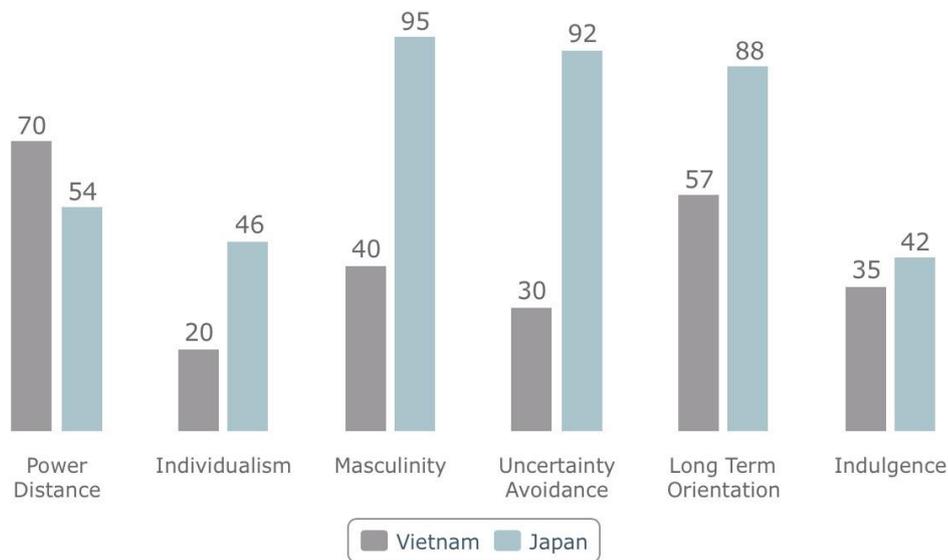


Chart. 3. Comparison between Japanese and Vietnamese cultural dimensions

(Source: Hofstede insights)

In terms of vision, Japan and Vietnam have score of LTO meaning that both countries aim at long term values in which Japan score higher. Further, both countries are evaluated low individualism, in other words high collectivism and in this case Vietnam is more collectivistic

From participative aspect, Vietnam is different from Japan as high PDI is centrally important to Vietnamese culture. In Vietnam corporations, decisions are made by top management with little involvement of subordinates while in Japan organizations consensus is easily gained between supervisors and workers in making decision.

In relation to aggressiveness, Vietnam has a low score on MAS or high Feminine culture. In the society with feminine culture, it is supposed that people value

relationship and quality of life more than competitiveness and assertiveness which are found in MAS culture in Japan

Regarding UAI, Vietnam is very low and less structured on principles and fewer rules. In Japan, structure is emphasized. Japanese managers are concerned with the facts, figures and efforts are put into feasibility to identify and eliminate risk factors. In Vietnam, processes are loosely controlled, therefore distracts happen frequently, entailing existence of risks

For indulgence, Japan and Vietnam both have low scores on this dimension in a sense that they are considered as restrained societies in which people perceive that their deeds are hampered by social standards.

It short, Vietnam and Japan are both collectivist societies with the same visionary for long term benefit and similarly restrained by social norms. However, they are different in terms of power distance, uncertainty avoidance and masculinity as well.

2. EMPLOYEE MOBILITY OR JOB MOBILITY

Bělohávek (2008), Jenkins (2009) and Ramlall (2004) assumed that the rationales of employee mobility are conflicts with internal motivations. Moreover, Arrow (1962) stressed that “information is a commodity of great economic value and that the very use of information in any productive way is bound to reveal it”. In a specific way, employee mobility is a powerful mechanism of knowledge transfer (Argote and Ingram, 2000).

In addition, employee mobility is attributed to pertain to training cost and one of the painful lessons of employment commitment was drawn from Boeing, one of the largest producers of commercial aircraft. In 1993, laid off 30000 workers due to 40% of

order cancelation, cost USD 600 million for retirement program. In 1996, hired 32000 new ones because of order increase, however, due to lack of trained assembly workers, part assemblies needed to be reworked, cost USD 1.6 billions loss in one quarter. Therefore, the lesson implied that training cost was so high that employers should take serious on it.

Not only employers suffered losses, but employees' income was influenced as well that was demonstrated in a study, "The impact of job mobility on earnings" (Mark, 2013). The study suggested that job mobility within the same industry or within the same occupation would raise a person's income, but job mobility in both industry and occupation would decline a person's income (Mark, 2013)

Further more, another quantitative research by Mouw and Kalleberg (2010) revealed that an increase in job mobility would induce an enlargement in economic inequality because workforce being trained general skills could likely utilize them in various workplaces and take advantage of it for upward mobility as the price of general skills increased. (DiPrete, Goux, and Maurin, 2002).Such losses for low workforce and gains for skilled workforce implied the contribution of job mobility to an increase in social inequality (Mouw and Kalleberg, 2010)

In summary, these studies pointed out the dark sides of job mobility that motivates me to carry out my own research on how to resolve the extremely prevailing high employment turn over rate in Vietnam. Furthermore, some previous studies on international transferability of Japanese management practices provided me with the spark of light for my research which are presented as follows

3. INTERNATIONAL TRANSFERABILITY OF JAPANESE MANAGEMENT PRACTICES

A miracle resilience of Japanese economy and its rapid development have aroused numerous researchers to consider adoption of Japanese management practices to different cultural environment, particularly Asia counties. International transferability of technology to Japanese affiliates in Vietnam being documented in 2013 by Nguyen and Aoyama disclosed the significant impact of Vietnamese culture on the core Japanese management practices comprising quality control, group consciousness, recruiting and training system, seniority system in which Collectivism and Power distance in Vietnamese culture are determinants of the effect on the technology transfer. In 1998, a quantitative research of cross-cultural transfer of Japanese human resource management styles in Singapore was conducted by Gill and Wong which revealed the transferability of some practices such as house union, consensual decision making and quality circles for cultural compatibility. However lifetime employment and seniority system, the two distinctive characteristics of Japanese personnel management were arduous to transfer since meritocracy is embedded in Singaporean culture which is suppressed over the demands for security and equity (Gill and Wong, 1998). In China, a paper was released from Nomura Research Institute presenting critiques and failures of Japanese Human Resource Management systems for less reflection on employees' endeavors and accomplishments in their wage hikes and promotions as Chinese employees are interested in performance evaluation, hence it suggested Japanese affiliates in China to consider a hybridized HRM design with respect to Chinese culture (Taura, 2005). Moreover, in line with the philosophy of hybridization, another research suggested Japanese corporations in China to align HRM practices with their business strategies

basing on their business levels, including cost reduction, differentiation, quality enhancement strategies (Takeuchi and Chen, 2005).

IV. RESEARCH METHOD

This empirical study is constructed basing on descriptive analysis approach by integrating qualitative and quantitative methods which are in-depth interviews and online questionnaires, twirling the research questions to explore the influence of national factors on the transferability of lifetime employment to Vietnam. Moreover, the contents of the questionnaires and interviews are designed purposively different as to make the outcomes more rigid and reliable.

The questionnaires are in English with Vietnamese translations, comprise fifteen closed, open-ended and contingency questions in which eight main questions target to investigate the respondents' most concern on future jobs, their motivations to corporate loyalty, their reliance on transferability of lifetime employment system to Vietnam and their initiatives on alteration of the original system under the impact of Vietnamese culture and institutions. In addition, seven sub questions are about personal characteristics of the population such as sex, age, marital status, occupation, experience..etc since these elements are believed to affect their responses to some extent (Teresa & Auriat 2005) . Moreover, the options of questions are redesigned basing on the previous survey on the reasons of job mobility conducted by a prestigious head hunting company, Jobstreet in Vietnam in 2016. Furthermore, the proximity and plausibility of options for each question are extremely rigorous to avoid any bias and ensure the authenticity of the responses (Teresa & Auriat 2005). For instance, the question "What are you most concerned about your future jobs", the categories are (1) Job stability; (2) High salary; (3) Promotion opportunity; (4) Other factors , which are

freely given by themselves. Another question related to loyal motivation is “What makes you loyal to your organizations”, the four options are (1) Corporations’ allowances; (2) Effort recognitions; (3) employment security; (4) managers’ attitudes and treatments. Apparently, it is notable that among such options, job stability and employment security are implicitly referred to lifetime employment. (See the questionnaires in the Appendices)

Along with the questionnaires, the in-depth interviews are purposefully conducted at four Japanese manufacturing firms of automotive parts, electronic parts and beverage in Vietnam including Panasonic, Kirin, Takako-sub contractor of KYB and Hariki Precision. The criteria for selecting these companies lie in their longstanding reputations and prevalence in Japan which are more likely to adopt lifetime employment, a distinctive human resource management practice in Japan to Vietnam. Moreover, the main purpose of the interview is to investigate the practice and effectiveness of lifetime employment system in these organizations as well as the determinant factors of transferability of this system to Vietnam subsidiary according to their experience and perspectives. Accordingly, the two significant core factors in the interviews are defined as lifetime employment and employees’ loyalty which were used as a foundation in the conceptual framework (Figure 1), guiding the interviews and discussions. In additions, Vietnamese culture and institutions are assumed to be determinants of the success or failure of this system in Vietnam, which need to be examined. First, the interviews were divided in official and non official and carried out in different days. For Takako and Hariki precisions, the Vietnamese vice director and production manager respectively were officially interviewed at their workplaces in one hour per interview. Then, the meeting with Kirin’s Vietnamese marketing manager was

held outside the company in another day that make comfortable and conducive to discussions. Finally, an online interview with Panasonic's Japanese director was organized. The four key figures were given the same questions in both Vietnamese and English being designed to address the core research questions of which the contents are displayed in the following table

| Interview questions |
|---|
| 1. Has your company practiced lifetime employment system in Vietnam subsidiary? |
| 2. Do you think that this system can generate Vietnamese' employees? Why and why not? |
| 3. What are supposed to be the determinant factors for the fruition of lifetime employment in Japan, to your opinion? |
| 4. What factors affect the transferability of lifetime employment system to Vietnam |

Data collected from the interviews were analyzed and interpreted by descriptive, classified, and interconnected approaches. Particularly data analysis is proceeded basing on the conceptual framework to point out the findings in response to the research questions and followed by discussions with additional supporting backgrounds to consolidate and strengthen my arguments. Finally, recommendations are deputed basing on the results and disputations.

V/ FINDINGS AND DISCUSSIONS

1. FINDINGS

For the survey, there are 459 responses in which 51.4% are from female and 48.6% from male , the majority are from 20 to 35 years old and 75.3% are in single status. Moreover, students account for 39.8% and employees take 60.2% in which 60.9% got over five years of working experience and 46.2% of them used to change jobs

The investigation surprisingly reveals that their most concerned about future jobs is not to have a stable job or high salary but promotion opportunities with 39.9% of responses. That means they put more weight on their positions in the organizations as well as in the society than remuneration and job stability. In the following chart, high salary is the second favor with 30.4%, then, stability is the successive selection 20.6%. In addition, some respondents are also interested in how meaningful the job is and how good the working environment is as well as how passionate they are in work. However, those responses only take small portions.

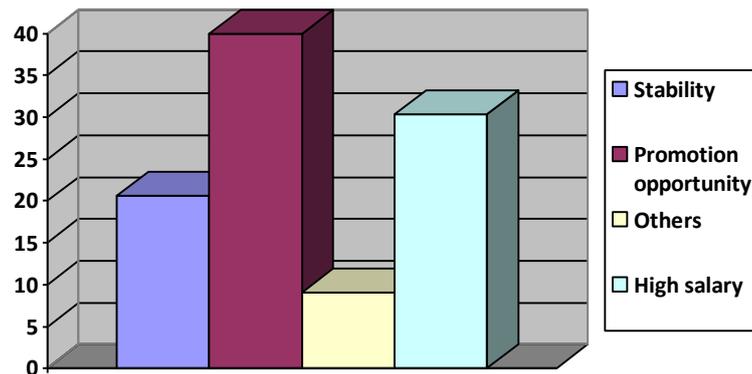


Fig. 2: The results of the survey on Vietnamese employees' most concerned about future jobs

For corporate loyalty motivation, 32.3% of responses lie in organizational effort recognition, 28.3% are attributed to managers' attitudes and treatments, company's allowances only account for 24.3% despite the substantially monetary determinants for life, and employment security shows less significance with 15% of selections. The results bring to a question whether high job mobility in Vietnam is a consequence of such a negligent attitude on occupation and discretion at work of Vietnamese employees.

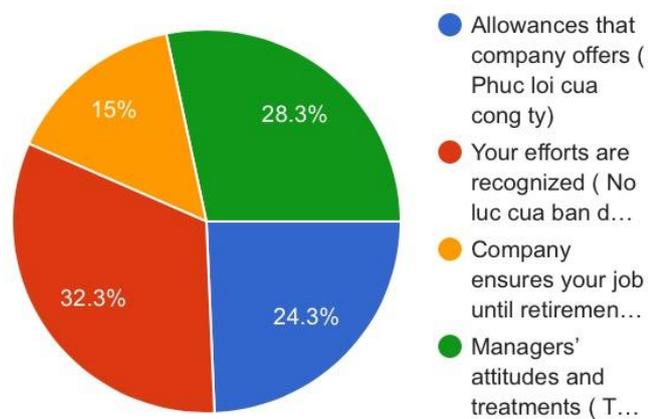


Fig. 3: The results of the survey on determinant factors of Vietnamese employees' loyalty

Regarding lifetime employment system, only 39.7% of survey takers know about it whereas 60.3% replied that they have not heard. However, after mastering the essence and characteristics of this system, 44% of respondents assume a good system, 40.7% with neutral and only 15.3% decry it

The rationales for supporting this system are pertained to create employees' motivations, work efficiency and high productivity and 66.8% of respondents concurred by selecting all categories as shown in Fig. 4

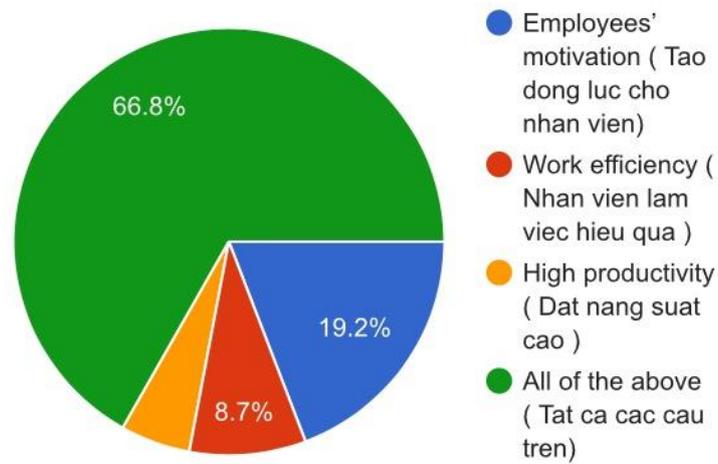


Fig. 4: The results of the survey on merits of lifetime employment system

On the other hand, for respondents bias this system, 56.2% selected all of the arguments which are less reflection on performance, not efficiency and low productivity as being illustrated in the following Fig. 5

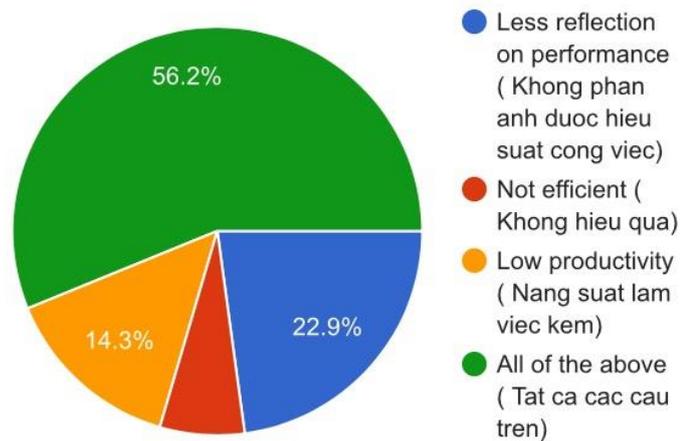


Fig. 5: The results of the survey on demerits of lifetime employment system

Furthermore, there are 78.3% of respondents who believe that lifetime employment can not be transferable to Vietnam in the form of origin which is characterized by no contractual state of long time employment and no dismissal

Therefore, it should be hybridized with respect to Vietnamese culture and social conditions. In Vietnam, trust based work is not really exhorted, in other words, implicit commitment without contract is impossible, in stead an official contract of lifetime employment is compulsively required between employers and employees . Moreover, Vietnamese Government should foster monitoring corporations and tighten dismissal laws to protect employees from lay off. The findings in the following Fig. 6 demonstrated 55.2% of the selection for contract requirement and rigid termination laws

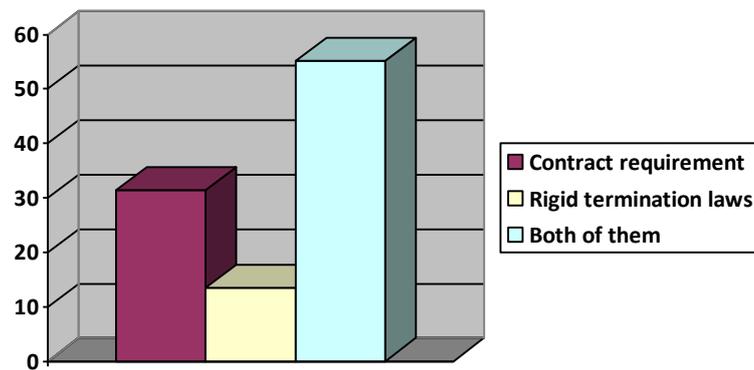


Fig. 6: The results of the survey on hybridizations of lifetime employment system on Vietnamese perspectives

The interview outcomes from four Japanese subsidiaries in Vietnam also disclose the impossibility of transferring lifetime employment system to Vietnam. Among four interviewees representing for the four companies, only KYB Vietnam has been fully

practicing this original system, Panasonic failed to implement it and Kirin and Hariki Precision are not adopting it to their Vietnam subsidiaries.

The general director of Panasonic Vietnam, Mr Masaaki Kobayashi indicated that the company has been practicing lifetime employment system. However this system did not seem to work well in Vietnam. He said, “We have followed the laws and regulations, after a certain renewal contract, it will be unlimited. However, not many people in Vietnam want to work in a company for the whole life as many of them are always expecting to get better jobs with higher salary and positions...etc, it looks like same as other parts of the world. Promotion and increasing salary are the key issues”. When I asked him whether his company discharged employees in case of their bad performances, he certainly declared no dismissal due to the company regulation. However, he supposed that head hunting and job hopping have been getting prevalent recently. Hence, mid-careers are always appealed by better offers from other corporations, inducing their migrations. Moreover, he added that once his company increases the salary but with a minimum increment, employees would leave because they consider as bad evaluations from the organization. Finally, he concluded, “..... I guess workers in Vietnam are more protected and it comes from the communist way”.

In brief, in case of Panasonic Vietnam, lifetime employment is failed to generate loyalty from Vietnamese employees who are willing to leave their company for better grants from other organizations and this behavior was attributed to take root in communism according to Mr Masaaki Kobayashi

In contrast with Panasonic, Kirin does not adopt this system in its human resource management in Vietnam subsidiary. The marketing manager, MS Vo Que Minh said that the company laid off some staffs in the sales department due to bad performances

and no improvement in work, who could not hit the sales target in one year. This measurement was considered as a reform of the original management practice in order to encourage competition in work and make their employees more dynamic, creative and effective for yielding higher productivity. Further more, Answering my question about her belief on the contribution of lifetime employment in the creation of employees' loyalty, from a Vietnamese's perspective, she asserted that it can, nevertheless, it will cause psychological inertia and no progress as employees always feel protected from being sacked. In order to make Vietnamese loyal to the company, instead of life time employment, she suggested another approach with respect to Vietnamese characteristics, which is progressive bonus accumulation method. As Vietnamese people prefer bonuses or rewards, the method is considered as the most relevant. Plus, by accumulating annually until retirement employees could receive a lump sum of remuneration which will motivate them to remain with the company for long service. In addition, another question which is related to the personal opinion about the rationales of long job tenure in Japan, she assumed that it may lie in cultural factors. As she explained "...Japanese people feel hesitate to make any denial in their lives in order not to trouble others, therefore, in work, they may suppose that their leaving will cause disturbance to their managers and colleagues, as a result, they retain their employment until retirement".

In short, lifetime employment is not preferred in Kirin because the company put significance more on performance than on seniority

Hariki Precision is the Japanese company which is not practicing lifetime employment in Vietnam branch either. According to Mr Tran Hoang Minh, production manager of the company, Hariki Vietnam has been taking advantage of Japanese management

practices such quality control system, 5S system except lifetime employment and dismissals are also taken in case of labor surplus. He believed that this system could have been smoothly operated in the head quarter in Japan, Hariki Seiko because of its regional conditions. As he explained, the head quarter locates in a remote area of Okayama Ken with less residences and firms, hence, Japanese employees have to depend on their firm for their entire lives without different choices, and the firm also can not easily find workers due to deficiency of regional labor. In order words, lifetime employment in this case is not really rooted from loyalty or employment security, but majeure circumstances. Moreover, he thinks lifetime employment is difficult to transfer to Vietnam where labor market is abundant and organizations could easily recruit. Hence, it is not necessary to offer long service to appeal employees.

Briefly, for Hariki Precision manager, Vietnam labor market is not pertinent to adopt lifetime employment system

Takako Vietnam, a subcontract of KYB Japan is the only one among four interviewed companies which has been successfully implementing the original lifetime employment. As stated by Mr Huynh Quang Luc, the vice director, hiring of new graduates is periodically executed annually and on job training is provided, definitely no dismissal in his company. Even though the seniority staff does not generate efficient work, he or she will be transferred to another department and continue working in stead of lay off. For the vice director, lifetime employment system is an effective tool to make his employees loyal to the company since they have a peace of mind that their jobs are guaranteed for their lives, thus they retain their employment. Nevertheless, Mr Luc additionally emphasized that this loyalty is also demerit as a long service of those seniority staffs becomes a barrier for young talented staffs' promotions. For example, a

young capable engineer can not be appointed as an engineering advisor or engineering manager once these positions are currently occupied by the senior ones who are not yet in retirement ages. As a result, it might induce low productivity derived from such loyalty which is repercussion of lifetime employment. Moreover, Mr Luc assumed that the fruition of lifetime employment in Japan is partially contingent on national institutions, typically minimum wage and remuneration which are rationally legislated by the government. There is a trivial difference among Japanese companies' wage system, and workers are able to live on their remunerations, hence, they do not feel necessary to consider upward mobility for better income. However, it is totally different from Vietnam where the national average minimum wage seems incommensurate with cost of living. As the minimum wage is too low, companies freely make their own adjustment, inducing a big difference in the wage systems of companies in Vietnam. Consequently, workers are willing to migrate to other companies which offer them higher.

Finally he concluded that Vietnamese employees' loyalty is never generated by only lifetime employment system without combining with a rationale payroll which is regulated by Vietnamese government

In summary, the outcomes of the survey and interview reflect the impact of national factors comprising national culture and national conditions such as labor market and labor law that all determine the successful transferability of lifetime employment to Vietnam for the sake of employment security and corporate loyalty.

2. DISCUSSIONS

Many scholars have recognized the incentive effects of lifetime employment as job security and corporate loyalty which constituted the unique Japanese human resource management (Abegglen 1958; Dore 1973; Ono 2004). Nevertheless, it appears not to be fruitful in Vietnam due to cross-cultural issues which strongly affect employees' behaviors since personal values, attitudes and reliance are configured and alternated by the culture (Srite and Karahanna 2006). What is the major difference in Vietnamese and Japanese culture? Basing on Hofstede's cultural dimension analysis, the main distinction lies in power distance index (PDI) between the two countries. High power distance is found in Vietnam while it is realized low in Japan although both countries share the similarity in collectivism. In a high power distance society, inequality is commonly accepted and elites are believed to be more powerful (Hofstede 1993). Accordingly, high power distance is reflected in the results of the survey demonstrating that Vietnamese employees emphasize their effort recognitions, the key components to construct their corporate loyalty. In a specific way, they wish their companies acknowledge their individual abilities and recognize their differentiations among ordinary employees. Moreover, the desire of the recognition is anew consolidated in the survey results pertained to Vietnamese employees' most concern about future jobs which show the dominance of promotion opportunities. That Vietnamese employees prefer upgrading in response to their endeavors reflects hierarchical delimitation in their minds derived from high power distance culture and it is also a solid support for the previous studies on Vietnamese human resource management which was characterized by vague performance targets, fear for loss of faces, ambiguity and indirectness (Quang, 2006)

In addition, managers' attitudes and treatment methods are considered as the next determinant factors to make Vietnamese employees loyal to the organizations. Therefore, it questions me about Vietnamese managers' unethical behaviors, whether there is a fear or an endurance of Vietnamese employees toward the corporation management resulting in their concerns about attitudes and treatments which are revealed in my findings. As Naresh Khatri (2009) argued that organizations embracing high power distance are more likely to engage in unethical behaviors because the management in the corporations are influenced by high power distance and collectivistic culture which make them tend to boost silence in the workplaces (Morrison and Milliken, 2000) and in such organizations, individuals' innovativeness and advancement are hindered (Herbig & Dunphy, 1998), then employees feel fear to participate in management (Newman & Nollen, 1996). Moreover, in a high power distance culture, superiors are immersed with routine decisions, with rare involvement from and their subordinates and they do not need to advocate their determinations in order not to scold their subordinates for wrong doings (Khatri and Tsang, 2003). Hence, it strengthens my arguments on the influential power distance culture which may induce the failure of lifetime employment in Vietnam.

Moreover, the findings of interviews overlap that of survey in the realm of high power distance. As the vice director of Takao mentioned in the interview that remaining of senior staffs with the company in the form of corporate loyalty becomes a barrier for young staffs who expect to make intellectual contribution to the company for getting promotion. In fact, his perspective takes root in the traditional concept of Vietnamese autonomy, which underlines distinctions between superior and subordinate, elites and professional ones basing on power distance and personal capacity. Additionally, Sarros

(2002) revealed, in organizations characterized with high power distance, employees are provided with less autonomy and power, hence they may estrange themselves from undertakings, entailing less job commitment and engagement that may lead to company's failure by such behaviors of those employees

Furthermore, another difference in Japanese and Vietnamese culture is related to dominant gender. Vietnam is feminine society where people are more concerned in quality of life which is considered to be the signal of success (Hofstede, 1993). In Vietnamese culture, femininity accentuation is laid on working to get individual prizes or rewards deserving efforts and balancing working life with other aspects of life. This could be partially explained why Vietnamese employees prefer effort recognition to employment security in the survey results. On the contrary, In Japanese masculine society, working to be the best or the winner in each field is more emphasized that is culturally embedded in Japanese working behaviors (Hofstede, 1993). Therefore, Japanese focus on only work, for them, work is not for a living, but work is a way of life (Whitehill 1981; Abegglen and Stalk 1985) since Japanese workers subjectively view their lives as a succession of promotions (Lebra 1976). Furthermore, the relationship between lifetime employment and Masculinity in Japan could possibly explained by patriarchal system in this society where men are the breadwinners with essentially financial supports in the families. They have to retain their employment until retirement otherwise their salaries will be reduced when migrating to other companies and that will threaten their families' life. Besides, in Japan, women are expected to be housewives after getting married and they are considered as temporary staffs for employment adjustment. Therefore, male regular workers are hardly ever been dispatched even in in business downturn or economic recession and that reflects

why lifetime employment has been maintained in Japan. For that reason, lifetime employment system has become a distinctive characteristic of Japanese management practice as it is an outflow of Japanese culture, the most extreme effectiveness might be constrained to the Japanese setting and might not be fruitful in other countries (Hamzah, 1989). It is true with the fact from the survey result which showed 78.3% of respondents believing the original lifetime employment is impossible to apply in Vietnam due to its peculiar features of implicit contract between employers and employees. In other words, lifetime employment is created by trust instead of official agreement between the two parties. This never operates in Vietnam where human resource management practice is characterized by vague performance targets; low-trust cultures and unprofessional assessment (Kamoche, 2001), low transparency, poor connections between execution performance and rewards, comprising training and career advancement (Truong and Ha 1998; Truong 2006, 246).

Along with implicit contract, another factor which could impair transferability of lifetime employment to Vietnam is Vietnamese labor law pertaining to termination regulations. Vietnam law is more flexible than Japanese law in terms of statutory monetary compensation for iniquitous termination cases. According to Vietnam Labor code in 1994, article 41 was phrased that in the cases of unlawfully unilateral terminations by employers, they are required to make reinstatement for discharged employees and pay them compensations equivalent to the measure of wages and wage allowances for the period the employees were not permitted to work, in addition to no less than two months' wages and wage allowances. Then, in 2012 the statutory regulation was amended with complementary provisions, however, the statute of monetary compensation for unjust dismissals was remained. According to The article

49 of Vietnam labor code 2012, in case employers unilaterally terminate employment contract due to economic reasons, the employer have to pay job-loss allowance to the employees which is one month wage for each year of employment, and not lower than two months' wages.

Nevertheless, in Japan, the laid off law is more rigid because it does not have either any economic sanction for unjust dismissals or statutory monetary compensation (Ouchi, 2016). For example, the article 16 of Japan Labor Contract Act 2007 comprising some provisions in which terms such as 'objectively reasonable ground' and 'socially appropriate' are supposed to be ambiguous and favorable for discharged workers. Therefore, when dismissal disputes occur, the judges are entitled to make more discretionary judgments on the validity of terminations and it appears that the judgments are more likely to protect employees who are prone to bear social bias and destitution since no firm is willing to hire them. They are attributed to be "lack of sincerity" (Dore, 983). As Crawcour (1978) explained that once employees are discharged, the aftermath is more serious since they will be ostracized by other industries rather than his industry. Consequently, termination law in Japan has been so stringent and rigorous that both employers and employees have to evade dismissal as possible. The Supreme Court of Japan in 1975 said, "Even in the case where grounds for regular termination exist, the Employer may not always be able to terminate. When, in view of the applicable concrete circumstances, effecting termination is highly unreasonable and unacceptable based on the prevailing attitudes of society, said termination shall be considered invalid as an abuse of the employer's right to terminate.". Therefore termination has become onerous to be practiced in Japan, and in most of the cases, conciliation is always selective the approach. Moreover, during the dismissal

dispute, employers are not allowed to terminate by monetary compensation method, in other words, he has no resolution beyond conciliation and reinstatement (Ouchi, 2016). In addition, under Japanese prism society, economic dismissals are not inferable from workers. Subsequently, employers endeavor to constrain lay-off and diminish the harms resulted from dismissals

In summary, the unique lifetime employment in Japan has been reinforced by the national strict employment termination law with more emphasis on conciliatory and reinstatement rather than monetary compensation approach to get agreements on layoffs regardless of dismissal reasons. However, in Vietnam, the law is more flexible because it allows employers to terminate employment by paying job-loss allowance with no less than two months' wages in case of economic dismissal. As a result, Vietnam institution possibly impair transferability of lifetime employment to Vietnam in addition to the impact of Vietnamese culture

Therefore, if this system is transferred to Vietnam, it should be hybridized with respect to Vietnamese culture. Thus, an explicit contract is a prerequisite to ensure employees' job security and more rigid termination law should be legislated to protect employees from dismissals

VI. RECOMMENDATIONS

High power distance and femininity are the two characteristics culturally embedded in Vietnamese society which strongly affect employees' behaviors. Therefore, Vietnamese employees put significance on effort recognitions and promotion opportunities rather than job security which are the key components to constitute their corporate loyalty. In other words, they wish their companies acknowledge their individual abilities and recognize their differentiations among ordinary employees. Moreover, driven by femininity culture, Vietnamese employees more accentuate on quality of life, hence their working objectives are to get individual prizes or rewards deserving efforts and balance working life with different aspects of life. In addition, under the impact of high power distance culture, Vietnamese employees are quite concerned about managers' attitudes and treatments which are the second determinant factor to consolidate their corporate loyalty. For those reasons, it is implied that managers in Vietnam should perceive their employees' internal motivations derived from the two national culture dimensions so that they can determine what kinds of strategic management to adopt and which managerial factors should be adjusted in order to gain employees' loyalty. In a specific way, managers should create incentives such as compliments, rewards, opportunities for upgrading to their employees deserving their endeavors, then they will feel stimulated and want to remain with the company. Moreover, managers should control their attitudes in order not to involve in unethical behaviors or misconducts which leave their bad images to employees who will feel fear distant from their managers. As Vietnamese characteristics are originated from autonomy (Tran, 1996), if they are given less autonomy and power in corporates, they may estrange themselves from undertakings, entailing less job commitment and

engagement that may lead to corporates' failures (Sarros, 2002). Instead, a friendly working place with low power distance should be created to motivate employees to engage in the corporations' participative management, more intellectual contributions and loyal spirit. Once employees' requirements are met and their job satisfactions are achieved, productivity can be yielded as Mitchell and Larson (1987) insisted that productivity could never been gained without motivating employees, which employers should seriously take into account.

VII. CONCLUSION

This study aims to examine transferability of lifetime employment system to Vietnam which is one of the pillar or even 'sacred treasure' of Japanese human resource management (Abegglen and Stalk 1985; Whitehill 1991) due to its contributions to the success of Japanese corporations and the country's rapid economic development (Clark 1987, Arai 1998). However, there have been some critiques of the lifetime employment system and predictions for its demise because of its redundancy encouragement, low productivity and a burden of organizations in business downturn. Despite such arguments, lifetime employment system is relied on its resilience as an equilibrium given by its incentive and complementary institutions (Moriguchi and Ono, 2004). In fact, this system has been culturally embedded in Japan society and become a part of Japanese culture. Moreover, it has been supported by Japanese government through institutions which were proved in a series of historical events such as Oil Crisis or prolonged stagnation. Undoubtedly, this system is so dominant since it can encourage employees' corporate loyalty, preventing them from job mobility (Thomas, 1985) and foster long term human capital investment , enhance workers' incentives (Kato and Morishita 2002; Moriguchi and Ono 2004). In the light of stimulating Vietnamese employees' loyalty and resolving job mobility issue, I determined to conduct this research to investigate whether lifetime employment system can be transferable to Vietnam and make Vietnamese employees more loyal, basing on the similarities and differences between Vietnamese and Japanese culture and institutions. Then, an online survey was sent to 459 Vietnamese people to explore their most concern in their future jobs and elements to constitute their corporate loyalty, as well as their beliefs on transferability of this system to Vietnam. In addition to the survey, interviews were

conducted to directors and managers of four manufacturing companies including Panasonic, Kirin, Takako and Hariki Precision with the main purposes to investigate the practice and effectiveness of lifetime employment system in these organizations. The findings revealed that national factors comprising Vietnamese institutions and culture may impair the dominance of this system in Vietnam. In terms of culture, high power distance and femininity are the two cultural determinant factors which may induce the failure of this system transferred to Vietnam. As explanation in the discussion part, Vietnamese employees emphasize effort recognitions and managers' attitudes and treatments as significant components to constitute their corporate loyalty rather than employment security. In other words, they wish their corporates recognize their personal abilities which differentiate them from other ordinary people, and provide them with opportunities for promotions. Such perspectives and behaviors reflect femininity and power distance culture because femininity emphasis is laid on quality of life that means they work for a living, work to receive remunerations and rewards deserving their efforts and balance their working life with different issues in life rather than only work and everlasting work. On the contrary, Japanese culture with masculinity accentuation steers people working to be the best or the winner in each field (Hofstede, 1997), as a result, Japanese employees view work as a way of life rather than a living (Whitehill 1981; Abegglen and Stalk 1985). For that reason, employment security appears to be significant for Japanese employees, but effort recognitions are more remarkable for Vietnamese workers. Moreover, Vietnamese employees are also concerned about managers' attitudes and treatments that evidently prove the influential high power distance culture in corporations in Vietnam. Therefore, it is suggested that the management in Vietnam should be aware of their employees' internal motivations

derived from the two national culture dimensions so that they can determine what kinds of strategic management to adopt and which managerial factors should be adjusted in order to gain employees' loyalty.

In the aspect of Vietnamese institutions, it was demonstrated in the findings that dismissal laws in Vietnam is more flexible than that in Japan because it has statutory monetary compensation which is no less than two months' wages for unjust dismissal such as economic reason. However, in Japan, the termination laws are more rigid that stress on conciliatory and reinstatement rather than monetary compensation approach. Moreover, under Japanese prism society, economic dismissals are not inferable from workers. Subsequently, employers endeavor to constrain lay-off and diminish the harms resulted from dismissals. That strengthens the explication of the sustainability of lifetime employment in Japan, and consolidates the argument that the most extreme effectiveness might be constrained to the Japanese setting and might not be fruitful in other countries of (Hamzah, 1989). Although lifetime employment system may not be an ideal model for Vietnam human resource management practice, to some extent it can ignite inspiration for Vietnam to discover its own managerial identity which optimizes the convergence of national institutions, national culture, and personnel management strategies to generate a competitive advantage of a unique Vietnamese human resource management.

This paper's contribution could be viewed in the aspect of transferring Japanese management practices to oversea affiliates so that it will benefit to Japanese expatriates who need to acquire and comprehend determinants which impact on international management. This paper demonstrates the role of national culture and national institutions, the two driven factors of the transferability. However, national factors are

so immense, comprising other social institutions such as labor market, labor unions, financing, corporate ownership, education system, economy and business factors which have not yet been elaborated in this study. Therefore, further researches are suggested to explore how these social factors contribute to the success of lifetime employment system in Japan, and to examine the relationship between Vietnam's social institutions and high employment turnover rates. Moreover, there should be some corporations in Vietnam with low employment turnover rate which adopted certain strategic measurement system to improve the employees' loyalty, but this paper is constrained to investigate and it is reserved for the next study.

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Appendices

QUESTIONNAIRES

Is lifetime employment transferable to Vietnam? Can it encourage Vietnamese employees' loyalty and prevent them from job mobility?

- 1) Are you male or female?
- 2) How old are you?
- 3) Are you single or married?
- 4) What are you most concerned about your future job?
 - a) Stability
 - b) High salary
 - c) Promotion opportunities
 - d) Other.....
- 5) What make you loyal to your company?
 - a) Allowances that company offers
 - b) Your efforts are recognized
 - c) Company ensures your job until retirement
 - d) Managers' attitudes and treatments
 - e) Other.....
- 6) Have you ever heard about Japanese lifetime employment system which refers to companies recruiting graduates and they retain their employment until retirement?
 - a) Yes
 - b) No
- 7) Do you think that system is good?
 - a) Yes
 - b) No

c) Neutral

8) If you select “Yes”, please chose the flowing answers

a) Employees’ motivation

b) Work efficiency

c) High productivity

d) All of the above

9) If you select “No”, please chose the flowing answers

a) Less reflection on performance

b) Not efficient

c) Low productivity

d) All of the above

10) Original lifetime employment system is non-contractual, only based on trust among employers and employees. Do you think this works in Vietnam?

a) Yes

b) NO

11) If you select No, what do you think that this system should be hybridized to respect to Vietnamese culture?

a) Contract works better than trust among Vietnamese

b) Vietnamese government should tighten termination laws

c) Both of them

d) Other.....

LIST OF TABLES

Chart.1. The percentage of Japanese employees supporting lifetime employment system (Source: Japan Institute of Labor policy and Training in 2011)

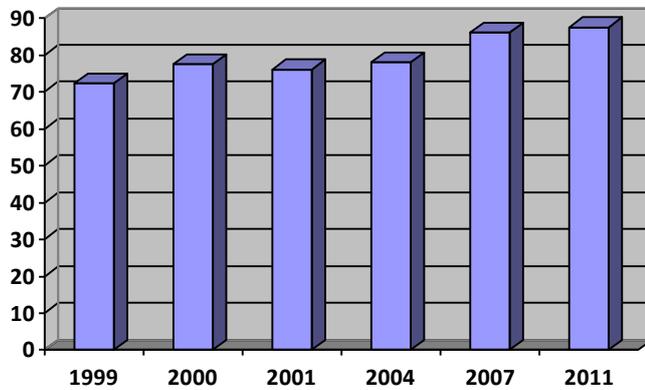


Chart. 2. Japanese cultural dimensions (Source: Hofstede insights)

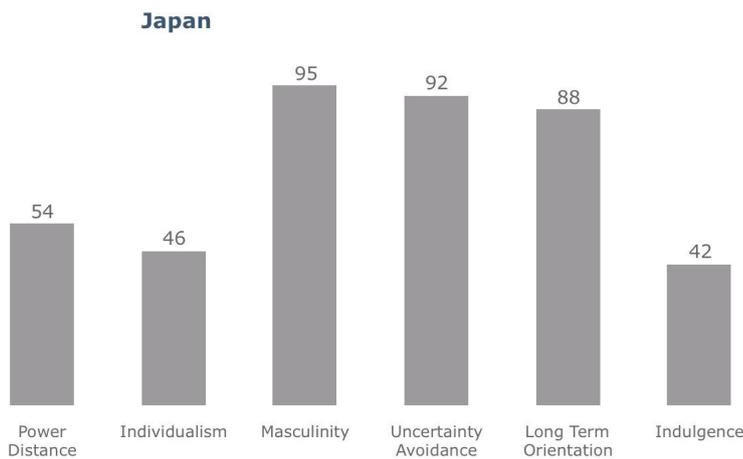
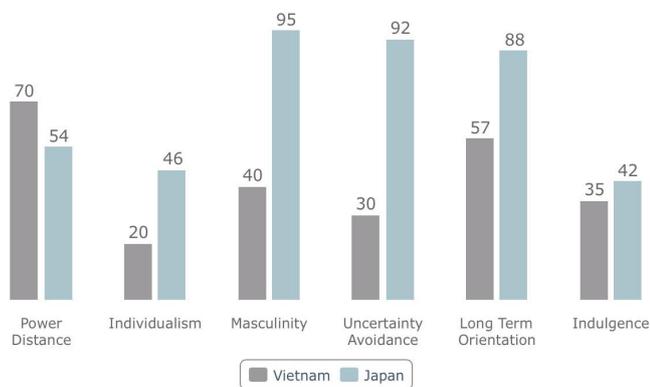


Chart. 3. Comparison between Japanese and Vietnamese cultural dimensions (Source: Hofstede insights)



| Interview questions |
|---|
| 1. Has your company practiced lifetime employment system in Vietnam subsidiary? |
| 2. Do you think that this system can generate Vietnamese' employees? Why and why not? |
| 3. What are supposed to be the determinant factors for the fruition of lifetime employment in Japan, to your opinion? |
| 4. What factors affect the transferability of lifetime employment system to Vietnam |

Fig. 2: The results of the survey on Vietnamese employees' most concerned about future jobs

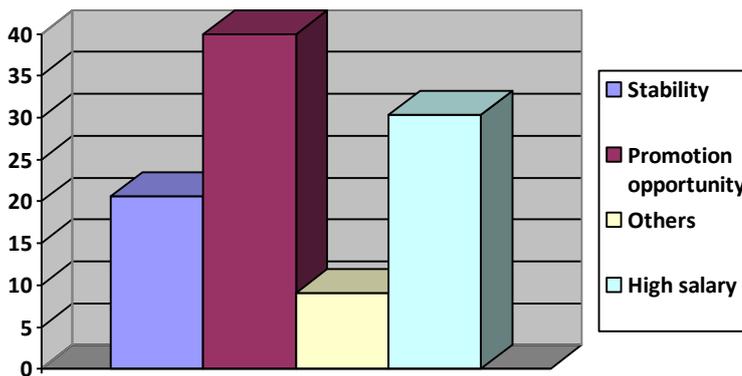


Fig. 3: The results of the survey on determinant factors of Vietnamese employees' loyalty

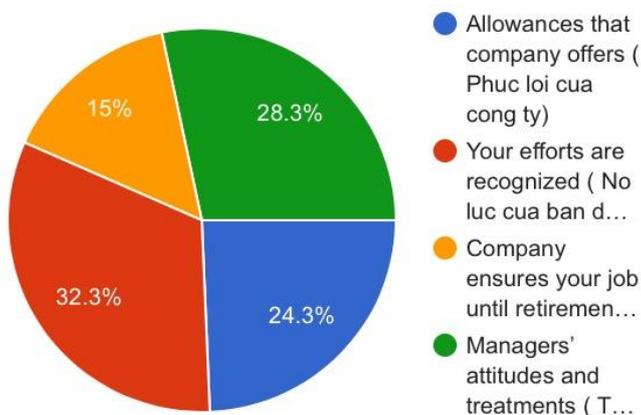


Fig. 4: The results of the survey on merits of lifetime employment system

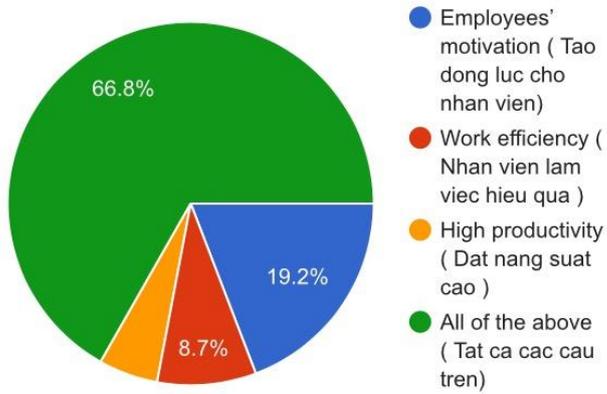


Fig. 5: The results of the survey on demerits of lifetime employment system

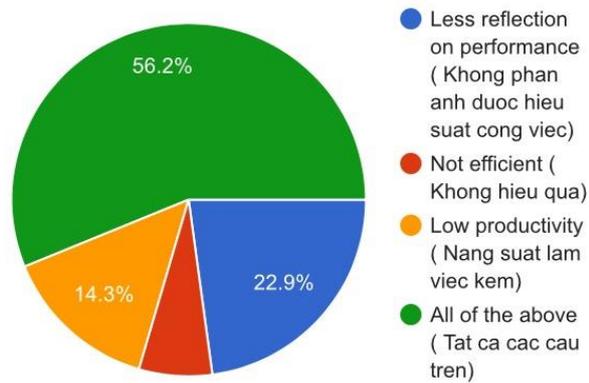


Fig. 6: The results of the survey on hybridizations of lifetime employment system on Vietnamese perspectives

