Fresh/Long-Time Employees Have Better Perspective but What of the Others?

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Abstract: In a cross-sectional survey of seven companies, Takahashi (1996b) discovered a U-shaped curve, with (a) newly hired employees and long-time employees tending to have a high perspective index, and with (b) those with 5–10 years of service tending to be at the bottom of the index. This paper is an examination of Company X, using 12 years of exhaustive survey data. We found that (a) for data in all years, the trend was represented by a similar U-shaped curve, with recent hires and long-time employees being high on the perspective index, and with (b) those at the bottom of the perspective index having shifted over time. This points to the existence of a generation that holds a relatively low perspective index regardless of their number of years of service with the company. This phenomenon seems to develop as the number of years of service increases.

Keywords: perspective index, future parameter, years of service

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Introduction

In Axelrod's (1980, 1984) computer tournament, at each move, the next move will be played with probability w , or the game will end¹ in that move with probability $1-w$. Takahashi (2013) calls this probability w the *future parameter*. Abegglen's (1958) "lifetime commitment" is a representation of the future parameter $w \approx 1$. Takahashi's (1996a) perspective index as a type of future parameter was developed in 1992 and validated by the JPC Survey data. It is possible to explain job satisfaction and turnover candidates in Japanese companies using the perspective index: in the near-perfect linear relationship, the job satisfaction ratio increases and the turnover candidate ratio decreases as the perspective index rises (Inamizu, 2015; Okada & Inamizu, 2014; Takahashi, 1997, 2004, 2014; Takahashi, Ohkawa, & Inamizu, 2014).

In a cross-sectional survey of white collar workers at seven companies, Takahashi (1996b) distributed questionnaires from October through December 1995 and analyzed data received from 1,168 responses (out of 1,603 distributed, translating into a response rate of 72.9%). When the survey sample was classified into classes of 5-year increments by their number of years of service, the perspective index depicted a U-shaped curve with (a) newer employees (with less than 5 years of service) and long-time employees with a high perspective index, whereas (b) those with 5–10 years of service were at the bottom of the curve. This indicates two possibilities.

Possibility (1): The number of years of service is an explanatory variable for the perspective index.

Possibility (2): There exist high index employees and low index employees independently of the years of service. Accidentally,

¹ The probability $1-w$ is a special case of the stopping rule in the sequential decision process model (DeGroot, 1970; Ferguson, 1967)

high index employees are clustered together in the “less than five years” of service class and the long years of service classes, while low index employees are clustered together in the “5–10 years” class.

However, a single survey cannot determine the correctness of either of the two possibilities. Confirming this will require an ongoing examination of that company over a period of about 10 years. This paper, therefore, examines Company X using exhaustive survey data over a 12-year period.

Method

Survey X is an exhaustive survey of all employees of Company X that is conducted once a fiscal year. The questionnaires were distributed simultaneously to all the employees and collected once filled (placement method). This paper uses data gathered for the fiscal years 2004–2015. The survey was conducted in October 2004, September 2005, and every February from 2007 to 2015. Data from 15,928 out of the 16,117 survey questionnaires distributed were collected during the 12-year period, which translates into a response rate of 98.8%.

The perspective index is defined as the sum of scores of the following five questions designated as dummy variables:

- P1. Are you able to see the desirable shape that your company will take in the 21st century? 1 = yes, 0 = no.
- P2. Are most of your work hours spent on routine tasks? 0 = yes, 1 = no.
- P3. Are your job targets clearly specified by your superiors? 1 = yes, 0 = no.
- P4. Does your company have an atmosphere in which reaching the short-range norm tends to have priority over pursuing

long-range goals? 0 = yes, 1 = no.

P5. Can you visualize a positive future for yourself 10 years down the line staying at this company? 1 = yes, 0 = no.

Responding “yes” to questions P1, P3, and P5 and “no” to questions P2 and P4 is deemed to have a high future parameter. Thus, “yes” to questions P1, P3, and P5 scores 1 point per question, while “no” scores 0 points; “no” to questions P2 and P4 scores 1 point per question, while “yes” scores 0 points. A high perspective index indicates a high future parameter within an organization. As part of its definition, it is given that the perspective index is scored as an integer value from 0 to 5.

Results

The survey sample was classified into six classes of 5-year periods: less than 5 years of service; 5 or more and less than 10 years of service; 10 or more and less than 15 years of service; 15 or more and less than 20 years of service; 20 or more and less than 25 years of service; and 25 or more years of service. The average perspective index was then calculated for each class. Figure 1 shows the average of each class for each year. The thick red line that shows the 12-year average is typical; however, the perspective index is high among those who are new and those with long years of service, such that each year’s trend over the 12-year period is a stable U-shaped curve.

Furthermore, as seen in Figures 2–6 (the legends for which are the same as that for Figure 1), which show the percentage of who answered “yes” to questions P1, P3, and P5 and “no” to questions P2 and P4, this trend is similar for all questions from which the perspective index was calculated. In other words, the perspective index tends to be U-shaped, being high for those who are new to the

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Figure 1. Years of service and perspective index

Figure 2. Years of service and "yes" percentage of P1

Figure 3. Years of service and “no” percentage of P2

Figure 4. Years of service and “yes” percentage of P3

Figure 5. Years of service and “no” percentage of P4

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Figure 6. Years of service and “yes” percentage of P5

Table 1. Years of service and perspective index

	Years of Service						Total	Number of observations
	-5 years	5-10 years	10-15 years	15-20 years	20-25 years	25+ years		
2004	2.84	2.40	2.45	2.45	2.51	2.70	2.52	1,411
2005	2.84	2.09	2.33	2.32	2.50	2.56	2.39	1,341
2006	3.14	2.64	2.25	2.52	2.62	2.80	2.66	1,271
2007	3.09	2.42	2.40	2.68	2.81	2.82	2.80	1,266
2008	3.02	1.90	2.80	2.60	2.76	2.87	2.79	1,308
2009	2.80	2.54	2.53	2.63	2.81	2.84	2.87	1,324
2010	3.10	3.12	2.98	2.74	2.98	3.13	3.00	1,339
2011	3.25	3.12	2.65	2.82	2.96	3.13	3.03	1,331
2012	3.30	3.06	2.77	2.74	3.03	3.05	3.04	1,317
2013	3.30	3.12	3.03	2.73	2.85	3.14	3.04	1,322
2014	3.21	2.92	2.85	2.73	2.89	3.05	2.98	1,344
2015	2.99	2.67	2.67	2.63	2.66	2.83	2.77	1,354
Average	3.07	2.67	2.64	2.63	2.78	2.91	2.82	15,928

Note: Shaded cells show classes that are the bottom of the index.

company and for old-timers, with no particular question being decisive.

In contrast, we can see from Figure 1 that no particular class is at the bottom of the perspective index. Furthermore, by shading in purple the classes that are at the bottom of the index in Table 1, we see a shift in increments of almost exactly 5 years (except for 2008), from “5–10 years” to “10–15 years” and onward to “15–20 years.” In the case of Company X, from the 2006 survey onward, almost no employees left the company before retirement age; hence, it is reasonable to believe that there is a generation of a relatively low perspective index regardless of their number of years of service and that this phenomenon occurs as their number of years of service increases.

Discussion

As can be seen from both Figure 1 and Table 1, the perspective index of the “5–10 years” class in the 2008 survey was abnormally low. The 2008 survey was conducted during February 2–6, 2009, and this survey was administered when almost all of the “5–10 years” class was being seconded from the parent company (Takahashi, Okawa, Hatta, Inamizu, & Ogami, 2009). This is probably because the financial crisis triggered by the bankruptcy of Lehman Brothers Holdings Inc. on September 15, 2008, had a negative impact on the expectations of the secondees.

Similarly, the perspective index of the “5–10 years” class in the 2005 survey was also very low although the perspective indexes of almost all classes in that year’s survey were at their lowest, making that year an outlier in the 12-year period.

Between 2005 and 2006, the offices throughout the country were consolidated into a third of the original number; workers whose offices had closed down had to transfer to another region so as to

continue their employment with the company. The company called for voluntary retirements at the end of August 2005; nearly 20% of the employees declared their intention to retire, which was more than anticipated. The 2005 survey was conducted in September 2005, just after the voluntary retirement applications were closed. The 2006 survey was taken in February 2007, almost 1 year after the new system had been launched (Takahashi, Ohkawa, & Inamizu, 2014; Takahashi, Ohkawa, Inamizu, & Akiike, 2013).

Conclusion

In a cross-sectional survey of seven companies, Takahashi (1996b) found that (a) recently hired and long-time employees tend to have a high perspective index, whereas (b) those with “5–10 years” of service are at the bottom of the same index, forming a U-shaped curve. This paper examined Company X using 12 years of exhaustive survey data and found the following:

- (A) Recent hires and those with many years of service have a high perspective index, and a stable U-shaped curve is observable in each year over the 12-year period. Therefore, the number of years of service is considered to be an explanatory variable for the perspective index. However, at the same time,
- (B) The perspective index has no set bottom as the bottom shifts about every 5 years, from the “5–10 years” to “10–15 years” and onward to “15–20 years” classes. It seems that there is a generation of individuals with a relatively low perspective index regardless of their number of years of service and that this phenomenon develops as the number of years of service increases.

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