

# Perceived Merits and Demerits of Limited Term Contracts in Japanese Universities: An Overview

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## Abstract

Limited-term contracts for foreign language teachers are commonly used in positions that are full-time and long-term in Japanese higher educational institutions. The use of these limited-term contracts for foreign teachers warrants investigation, and their role within the English education of Japanese universities needs examining. This paper will provide an overview of the advantages of limited-term contracts, while also outlining less obvious costs of the system, to the teachers, the students, the institutions and Japanese society. The need for further investigation and discussion along with the reasons for employment with such contracts arises.

## 1. Introduction

In recent years, the Japanese labour law has been amended to offer the opportunity to be hired for up to ten years on a limited-term contract specifically to those employed in Japanese Higher Educational Institutions. As many foreign language teachers in Japanese universities are employed on such contracts, it is important to consider both the merits and demerits of such a system. This paper outlines the recent

change in the Japanese Labour Law, potential benefits and costs of the implementation of such employment contracts, and how this affects not just the employer and employee, but also English education in Japanese universities and therefore society as a whole.

## 2. Changes in the Japanese Labour Law

With a decline in economic status, coupled with the decline in population, Japanese universities started to welcome students from other countries, in particular Asia. From this arose the apparent need for English communication skills to be increased, which in turn led to the increase of non-Japanese language teachers. Simultaneously, in the unsure economic climate, employing such teachers on limited-term contracts became popular. However, limited-term contracts were originally intended for short-term projects, e.g. construction work. Therefore, in the educational field, even after the contracts expired, the need for the teachers remained, and the musical chair phenomenon arose in which teachers were shuffled around to various institutions as their contracts came to term (McCrostie & Spiri, 2008.) In the late 1990s the first amendment to the limited-term contract came into effect, followed by another in 2003, and further amendments until in 2012 when after five years of consecutive employment a teacher would be eligible for permanent employment. Needless to say, the result was that limited-term contracts were not extended beyond the five-year mark. To counteract this, an exemption to the 2013 amendment was passed paving the way for employment for up to ten years for teachers and researchers (Sato, Cotter, Skelton & Schinckel, 2015). Currently with this new wave of amendments to the labour law contract, part-time positions are now being reviewed. What the long-term implications will be, remain to be seen.

### 3. Merits

Various factors make limited-term contracts appealing to Japanese universities, and to teachers employed on them. These include flexibility and, also, the economic and cultural advantages, which will be discussed in turn below.

Aside from obvious advantages to the institution for hiring new staff, fresh faces, new energy, renewed vigour and hope, a limited, or short-term contract also opens the way for increased flexibility (Hoare, 2016). These contracts can be a career pathway for a teacher who wants to gain more experience of working full-time in a Japanese university before deciding whether full-time university work is a suitable long-term career plan. This being the case, a university can then hire a teacher on a fixed-term contract and the teacher also has the flexibility to leave their post at the end of the academic year, if so desired. Furthermore, there is increased flexibility for the institution as they can select and hire strategically as needed. Simultaneously, the new employee will bring in knowledge from previous work experience (Urbancova & Linhartova, 2011), new ideas, possibly new approaches, and might even see situations from a fresh angle. These attributes increase flexibility within the system. Teacher effectiveness might also increase as the new employee might be more willing to “try out new ideas” (McBer, 2001, p. 55) as they will be, initially, less immersed into the culture of the institution.

On one hand, it can be argued that as “effective teachers show a high degree of flexibility” (McBer, 2001, p. 25) those that are employed on limited-term contracts must be flexible, and therefore this system might increase their degree of flexibility. If this is the case, then changing teachers in their posts might be considered as one way to keep teachers more effective. Obviously more research into this area needs to be carried out, but if it were the case, then it substantiates reasons for the ‘*tenkin*’ (or transfer) system, which is the current practice in Japanese schools up to the high school level, where teachers are moved from school to school

throughout their careers. However, on the other hand there is no system, in Japanese universities, by which to identify effective teachers (Stapleton, 2011). If student performance and teacher effectiveness data were linked, over time this would facilitate knowing who are the teachers that are most effective. This could then be used as a benchmark when qualifying for tenure positions (Furman & Bordoff, 2009). Either way, for both the employer and employee, the limited-term contract allows for both parties to see if there are mutual benefits before either side moves towards a more permanent contract, and in so doing the flexibility of this system can be seen as beneficial.

Flexibility is something that limited-term contracts offer in a controlled system, bringing both welcome changes to the institutions, and job opportunities to the employees alike. Therefore, there are a number of advantages that are made available to both parties.

When considering the economic advantages, perhaps one of the most pertinent economic pressures comes from the ever-continuing decline in demographics in Japan; almost no university can guarantee student numbers. Many Japanese universities are being forced into making changes in an ever economically uncertain environment. Limited-term contracts, therefore, offer a safe economical buffer for the institution, especially in the case when the contract is renewed on an annual basis. It is much more acceptable within the culture to simply not renew a contract than to lay someone off. Tenure is until retirement, and thus, unless there are mitigating circumstances, an instructor with tenure will not be cut from the payroll due to economic pressures. Therefore, limited-term contracts can be seen to provide the perfect avenue to reduce human resources in the university due to the ever-increasing economic pressures.

With economic pressure reduced through the use of limited-term contracts increased flexibility is created in an unstable environment, which then opens the way for creating more projects (Wahl, 2008).

Hiring can then be focused on these projects, creating a win-win situation for both employer, and employee. Another economic advantage to hiring foreign language teachers on limited-term contracts, for the institution, is that the number of classes may be 10, or more, per week (Leachtenauer, 2015) which is double the number of classes that their tenured counterparts would teach. Naturally tenured colleagues would have administrative duties and an input into the running of the university, but if the university is calculating which position gives more in terms of classroom output, the limited-term contract is certainly very attractive. Thus, limited-term contracts provide a way for the universities to employ teachers on a heavier teaching load over a shorter period of time.

Having outlined the benefits of the flexibility of the system, plus the economic advantages that come from using limited-term contracts, now the cultural advantages will be presented.

From a cultural perspective, for Japanese educational institutions, there are a number of reasons why limited-term contracts could be perceived as appealing. Firstly, such contracts are non-discriminatory; both Japanese and non-Japanese are hired in Japanese universities on limited-term contracts. While terms and conditions may vary depending on the place of employment, all contracts are under the Japanese Labour Law, which is outlined above. Also, with recent changes in the labour law (Sato et al., 2015) recruitment policies in Japanese universities are in need of reviewing. However, as with updating any policy in a Japanese university, this requires time and effort. Change and “institutional transformation in Japan appears to be so difficult” (Roland, 2004, p.8). Therefore, it is very convenient if a Japanese university can leave the status quo of hiring policies, and not renew them (Brooks, 2015). This has obvious advantages and disadvantages, but for the institution that is not in a position to manage the change, it will be advantageous to know the status quo does not need instant change. Furthermore, under the current hiring policies an employee on a limited-term contract can receive benefits

such as health insurance and pension plans, unlike those that work only part-time (Wahl, 2008). One more added advantage to both the employer and employee is that with a limited time of employment one employee will be in the institution for only a few years, and thus the potential for disputes to arise is also diminished (Burrows, 2007). Cultural conflicts have less opportunity to arise and if they do, less time in which to heighten.

Lastly, temporary employment, or limited-term employment has the potential to work well. However, this is when it is the contract is totally agreeable to both the employer, and employee (Von Hippel, Mangum, Greenberger, Heneman & Skoglund, 1997). The extent to which this happens will vary from institution to institution. Therefore, it might be perceived that in many cases, limited-term contracts might not be so advantageous. However, reasons for wanting to be employed on such contracts include compatibility with working hours or simply because regular employment cannot be found. The latter is true in many cases for foreign teachers working in Japanese universities.

The advantage for the limited-term teacher is that the hiring practices for the limited-term contract teacher are less stringent, and the foreigner is often “hired... to promote an international image for the university” (Nagatomo, 2012). However, these posts may be seen as more of a “conveyor belt” (Rivers, 2013, p. 77) with less experienced, younger, and cheaper teachers. Furthermore, these teachers are “marked as being peripheral in their positioning and temporal in their existence,” (Rivers, 2013, p. 69). This indicates little commitment from the university towards the contract-teacher, and little is also expected in return from the contract teacher, outside of the classes they teach.

#### 4. Demerits

Having outlined potential advantages of the limited term contract system, now the disadvantages are discussed. While limited-term contracts have some benefits, as outlined above, there are also demerits to

using them, namely, the financial costs to the institution, academic costs, the impact on the students, costs to the teachers and social costs which are discussed below.

As mentioned above, when someone comes into a new position, they bring with them knowledge and expertise that they gained in previous workplaces. The same is true for someone when they leave a position; they take with them their knowledge and expertise. This is called “knowledge loss” (Sato et al., 2015). Knowledge loss from one university includes details of the running of the institution, the materials used, curricula established, student care, relationships with both students and faculty, all of which are transferred when the teacher moves to what may very well be a rival, neighbouring institution. In an atmosphere where universities are vying for students, this cost could surely create an impact.

In most cases the ‘position’ that is being filled by a teacher on a limited-term contract is not short-term. Therefore, even after the contract period has expired, the position remains. In such cases a replacement teacher needs to be hired. Re-hiring is pricy and costs approximately 20% of the total salary of that position (Bliss, 2004). At the time of writing this paper, a current advertisement at a local university for a three-year, limited-term contract position was offering 6.3 million yen per annum. Based on Bliss’s (2004) formula the limited-term contract is costing that university 1.26 million yen in order to find a replacement teacher after three years. Furthermore, this post is only for three years. This would mean budgeting 6.7% every year of the annual salary to pay for the cost of replacing the teacher when they have to leave. For a five-year limited contract this figure would be only 4% per year, or 252,000 yen per annum for five years. As the position still needs to be filled, these costs could be avoided by simply continuing employment, or reduced by employing the teacher for the full ten years as the law now makes possible without having to permanently employ the teacher.

Connected to knowledge loss, the moving of human resources can also impact any teamwork and collaboration taking place in the institution. Relationships form a foundation for teamwork, and help build teamwork (Playford, Dawson, Limbert, Smith, Ward & Wells, 2000). However, when there are people leaving and joining in three, or five-year cycles, relationship building is hindered and thus, also teamwork. It is possible that projects will be delayed and teacher motivation impacted, which could, in turn, have an effect on the learning in the classroom.

Another aspect of the limited-term contracts is the time it takes to settle into to the new position, such as learning how the new institution operates, who people are, locations of offices, the classrooms. Furthermore, near the end of the contract, time and energy must be spent on applying and interviews for jobs elsewhere. It becomes clear that during both of these periods where the teacher is not fully focused on teaching, students could receive a loss in teaching quality and find their instructor at their most productive only in their middle year or years of their contract. Precisely how this impacts the learning in the classroom needs investigation, but the effect on the individual, their families, and those that work closely with them are all factors that need to be considered when evaluating the limited-term contract system.

There are other disadvantages of the limited-term contract to the employee. These include remuneration, which is generally lower than that of their tenured counterparts. On top of this there are usually no bonuses, limited job security, and no leaving rewards upon leaving the post. Simultaneously, as there are limited tenured posts, which are hard to gain (McCrostie, 2010), the contract teacher must spend time building their resume through writing papers, and presenting at conferences possibly to a greater extent than their tenured colleagues. Despite doing these things, even if the foreign teacher has a PhD, most “full-time foreigners are contracted” (Burrows, 2007, p. 65) as track-to-tenure positions have largely been taken by Japanese colleagues (Kuwamura,



2009). So despite the essential networking, which might affect future job prospects (McCrostie, 2010), there is no guarantee of gaining a new post as often positions are gained through contacts.

Social costs are costs that impact the employer, employee and the community. An educational institution has the potential to have an impact on the local economy (Gilson, 2016) and the support of the community is key in the symbiotic relationship for long-term growth and success of the institution (Bringle & Hatcher, 2002). Due to the short-term nature of the contracts, and the need to look for another position, teachers on long-term contracts will focus less on community activities and building relationships beyond campus boundaries. Furthermore, with the instability that long-term projects bring, family plans such as having children or more children, may also be put on hold. Therefore, long-term contracts can be one facilitator to the already decreasing birth rate.

## 5. Conclusion

This paper has outlined the benefits and costs of limited-term contracts in Japanese Higher Institutions. One concern that has emerged is that good quality teachers on limited-term contracts are burdened with a lack of job security and future career opportunities that often only exist in the chance of landing another long-term contract or part-time teaching position. Even though the law has changed, as yet, there has been little change within Japanese higher educational institutions. While there are some merits of limited-term contracts, the real impact on the institutions, teachers, students and the community may negate their use. Needless to say, there is room for improvement in current Japanese university employment practices and alternatives need to be given serious consideration and evaluation.

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