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2019 Edelman Trust Barometer Reveals Record-High Trust Gap Between Informed Public and Mass Population in Japan

Driven by Rising Trust among Informed Public, Japan Remains Skeptical of Institutions But Comfortable with Status Quo

February 26, 2019 – TOKYO – The 2019 Edelman Trust Barometer reveals a record-high gap in trust (16 points) in the four major institutions—business, government, NGOs and media—between Japan’s informed public (53 percent) and mass population (37 percent). The widening gap is driven by a spike in trust among the informed public, while trust from mass population remains relatively flat.

The survey also identified another significant trust gap. The Edelman Trust Barometer also measured trust across gender, revealing a double-digit gap in several developed markets, including Japan (10 points), the U.S. (11 points), and Germany (12 points) among the general population. The trust gap between Japanese women and men was one of the largest globally for three out of four institutions.

“Increasing trust among the informed public is driven by an information-savvy public gaining a greater confidence in Japan when compared to instability in other developed markets overseas,” said Ross Rowbury, president of Edelman Japan. “Lower trust by women in public institutions may well be a result of disappointment in government initiatives intended to champion workstyle reform and gender equality in leadership roles. But we also see that more women take a more positive view of businesses efforts toward greater gender equality in the workplace. This is a strong indication that business has a license to lead in the area of gender equality.”

More broadly, a majority of Japanese felt a lack of confidence in their leaders (60 percent mass population and 63 percent informed public) and felt an overall sense of injustice (63 percent mass population and 64 percent informed public). However, only the informed public (62 percent) reported a strong desire for change, while the mass population was divided on that issue (49 percent), perhaps signaling that while many people in Japan are comfortable with the status quo, there is also a growing movement to push back against convention. Possibly illustrated by public outcry that erupted following recent university gender discrimination scandals and anti-LGBT comments by politicians. Reassuringly, a lack of hope about the future was not significant among either the mass population (33 percent) or the informed public (21 percent).

With more than one in five Japanese over the age of 70 and the tightest labor market since 1973, Japan is well aware of the urgent need to leverage technology to remain competitive globally. Unlike other G7 nations, employees in Japan face fewer fears about job security in the face of automation and industry innovation. Less than half of all employees from the general population expressed worry about not having the necessary training (45 percent), automation taking away jobs (41 percent), or conflicts about international trade policies hurting their companies (40 percent). Related to this, the technology industry regained its place as the most trusted business sector among the general population in Japan (up 6 points to 66 percent).



Stock in Brand Japan Rises as World Seeks Stability

With turmoil brewing in other markets across the world, Japan's relative stability has become a port in the storm, and upcoming events such as the Rugby World Cup and Tokyo Games in 2020 have served to bolster goodwill. As a national brand, trust in companies headquartered in Japan skyrocketed around the world, with remarkable gains in China (up 22 points to 70 percent) and Russia (up 20 points to 57 percent), assisted in part by a thawing geopolitical climate. This bump in global trust creates a major opportunity for Japanese exporters and service providers in these markets. The only market to lose trust in "Brand Japan" was Japan itself (down 2 points to 64 percent), potentially signaling an emerging opportunity around the "Japan Premium" that has sidelined many international competitors attempting to gain a foothold in the market. Among the 27 markets surveyed in 2019 Trust Barometer, Japan ranked lowest in economic optimism about the future for the mass population (16 percent) and the second-lowest for the informed public (38 percent).

"My Employer" The Most Trusted Institution in Japan

In an increasingly uncertain world, trust has become more localized, with "my employer" emerging as the most trusted institution in Japan and worldwide. In Japan, "my employer" (59 percent) is significantly more trusted than business (44 percent), government (39 percent), NGOs (38 percent), and media (35 percent) among the general population.

With that trust comes added responsibility. This year's Trust Barometer also shows that CEOs are expected to lead the fight for change. Nearly two thirds of those surveyed in Japan (64 percent) say they want CEOs to take the lead on change rather than waiting for government to impose it, up 11 points from last year. The areas where most Japanese agreed that CEOs could create positive change were issues of prejudice and discrimination (50 percent), followed by training for the jobs of tomorrow (47 percent) and equal pay (40 percent).

On the other hand, only 46 percent of Japanese employees agree it's critically important for their CEO to respond to challenging times, including industry issues, political events, national crises, or employee-driven issues. However, for employees globally, that expectation skyrockets to 71 percent, a 25 point gap.

"The stark contrast between expectations of CEOs in Japan versus expectations for CEO by overseas employees shows that leaders of multinational companies based in Japan must be prepared to play two roles," said Ross Rowbury, President of Edelman Japan.

In such a tight labor market as Japan, many companies face mounting challenges to secure a limited pool of high-quality talent. The Trust Barometer demonstrates that the companies and CEOs that can gain Japanese employees' trust stand to reap the greatest rewards. In Japan, companies trusted by their employees are rewarded with greater commitment (72 percent, +31-point advantage), loyalty (70 percent, +40-point advantage), advocacy (63 percent, +40-point advantage) and engagement (58 percent, +34-point advantage).

"This is the emergence of the new contract between employee and employer, which we call Trust at Work," said Richard Edelman, president and CEO of Edelman. "This contract is predicated on companies taking four specific actions: *Lead on Change*, establish an audacious goal that attracts socially-minded employees and make it a core business objective; *Empower Employees*, keep employees directly informed on the issues of the day and give them a voice on your channels; *Start Locally*, make a positive impact in the communities in which you operate; and *CEO Leadership*, CEOs must speak up directly on issues of the day. Smart companies will heed the call to build trust from the inside out with employees as the focal point."



About the Edelman Trust Barometer

The 2019 Edelman Trust Barometer is the firm's 19th annual trust and credibility survey. The survey was powered by research firm Edelman Intelligence and consisted of 30-minute online interviews conducted between October 19 and November 16, 2018. The 2019 Edelman Trust Barometer online survey sampled more than 33,000 respondents, which includes 6,200 informed public respondents across 27 markets. All informed public respondents met the following criteria: aged 25-64, college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; follow public policy issues in the news at least several times a week. For more information, visit <https://www.edelman.com/trust-barometer>

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