

# DOWNLOAD PDF MANAGEMENT AND INDUSTRIAL STRUCTURE IN JAPAN

## Chapter 1 : The Development and Structure of Japanese Enterprise Unions | The Asia-Pacific Journal: Jap

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Send email to admin eh. Moving along an income growth trajectory through expansion of manufacturing is hardly unique. Indeed Western Europe, Canada, Australia and the United States all attained high levels of income per capita by shifting from agrarian-based production to manufacturing and technologically sophisticated service sector activity. Investment-led growth Domestic investment in industry and infrastructure was the driving force behind growth in Japanese output. Both private and public sectors invested in infrastructure, national and local governments serving as coordinating agents for infrastructure build-up. Investment in manufacturing capacity was largely left to the private sector. Rising domestic savings made increasing capital accumulation possible. Japanese growth was investment-led, not export-led. Total factor productivity growth “achieving more output per unit of input” was rapid. On the supply side, total factor productivity growth was extremely important. Scale economies “the reduction in per unit costs due to increased levels of output” contributed to total factor productivity growth. Scale economies existed due to geographic concentration, to growth of the national economy, and to growth in the output of individual companies. The social capacity for importing and adapting foreign technology improved and this contributed to total factor productivity growth: At the household level, investing in education of children improved social capability. At the firm level, creating internalized labor markets that bound firms to workers and workers to firms, thereby giving workers a strong incentive to flexibly adapt to new technology, improved social capability. At the government level, industrial policy that reduced the cost to private firms of securing foreign technology enhanced social capacity. Shifting out of low-productivity agriculture into high productivity manufacturing, mining, and construction contributed to total factor productivity growth. Dualism Sharply segmented labor and capital markets emerged in Japan after the s. The capital intensive sector enjoying high ratios of capital to labor paid relatively high wages, and the labor intensive sector paid relatively low wages. Dualism contributed to income inequality and therefore to domestic social unrest. After a series of public policy reforms addressed inequality and erased much of the social bitterness around dualism that ravaged Japan prior to World War II. The remainder of this article will expand on a number of the themes mentioned above. The appendix reviews quantitative evidence concerning these points. The conclusion of the article lists references that provide a wealth of detailed evidence supporting the points above, which this article can only begin to explore. Achievements of Tokugawa Japan Why Japan? The system of confederation government introduced at the end of the fifteenth century placed certain powers in the hands of feudal warlords, daimyo, and certain powers in the hands of the shogun, the most powerful of the warlords. Each daimyo “and the shogun” was assigned a geographic region, a domain, being given taxation authority over the peasants residing in the villages of the domain. Intercourse with foreign powers was monopolized by the shogun, thereby preventing daimyo from cementing alliances with other countries in an effort to overthrow the central government. The samurai military retainers of the daimyo were forced to abandon rice farming and reside in the castle town headquarters of their daimyo overlord. In exchange, samurai received rice stipends from the rice taxes collected from the villages of their domain. By removing samurai from the countryside “by demilitarizing rural areas” conflicts over local water rights were largely made a thing of the past. As a result irrigation ditches were extended throughout the valleys, and riverbanks were shored up with stone embankments, facilitating transport and preventing flooding. The sustained growth of proto-industrialization in urban Japan, and its widespread diffusion to villages after was also inseparable from the productivity growth in paddy rice production and the growing of industrial crops like tea, fruit, mulberry plant growing that sustained the raising of silk cocoons and cotton. Readiness to emulate the West As a result of these domestic

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advances, Japan was well positioned to take up the Western challenge. It harnessed its infrastructure, its high level of literacy, and its proto-industrial distribution networks to the task of emulating Western organizational forms and Western techniques in energy production, first and foremost enlisting inorganic energy sources like coal and the other fossil fuels to generate steam power. Having intensively developed the organic economy depending upon natural energy flows like wind, water and fire, Japanese were quite prepared to master inorganic production after the Black Ships of the Americans forced Japan to jettison its long-standing autarky. From Balanced to Dualistic Growth, It created infrastructure that facilitated industrialization. It built a modern navy and army that could keep the Western powers at bay and establish a protective buffer zone in North East Asia that eventually formed the basis for a burgeoning Japanese empire in Asia and the Pacific. Central government reforms in education, finance and transportation Jettisoning the confederation style government of the Tokugawa era, the new leaders of the new Meiji government fashioned a unitary state with powerful ministries consolidating authority in the capital, Tokyo. The freshly minted Ministry of Education promoted compulsory primary schooling for the masses and elite university education aimed at deepening engineering and scientific knowledge. The Ministry of Finance created the Bank of Japan in , laying the foundations for a private banking system backed up a lender of last resort. The government began building a steam railroad trunk line girding the four major islands, encouraging private companies to participate in the project. Not surprisingly, the merchants in Osaka, the merchant capital of Tokugawa Japan, already well versed in proto-industrial production, turned to harnessing steam and coal, investing heavily in integrated spinning and weaving steam-driven textile mills during the s. Diffusion of best-practice agriculture At the same time, the abolition of the three hundred or so feudal fiefs that were the backbone of confederation style-Tokugawa rule and their consolidation into politically weak prefectures, under a strong national government that virtually monopolized taxation authority, gave a strong push to the diffusion of best practice agricultural technique. The nationwide diffusion of seed varieties developed in the Southwest fiefs of Tokugawa Japan spearheaded a substantial improvement in agricultural productivity especially in the Northeast. Simultaneously, expansion of agriculture using traditional Japanese technology agriculture and manufacturing using imported Western technology resulted. Balanced growth Growth at the close of the nineteenth century was balanced in the sense that traditional and modern technology using sectors grew at roughly equal rates, and labor “ especially young girls recruited out of farm households to labor in the steam using textile mills “ flowed back and forth between rural and urban Japan at wages that were roughly equal in industrial and agricultural pursuits. Between and , electrification mainly due to the proliferation of intercity electrical railroads created economies of scale in the nascent industrial belt facing outward onto the Pacific. Finally, the widening and paving during the s of roads that could handle buses and trucks was also pioneered by the great metropolises of the Tokaido, which further bolstered their relative advantage in per capita infrastructure. Organizational economies of scale “ zaibatsu In addition to geographic scale economies, organizational scale economies also became increasingly important in the late nineteenth centuries. By the s these had evolved into highly diversified combines, binding together enterprises in banking and insurance, trading companies, mining concerns, textiles, iron and steel plants, and machinery manufactures. By channeling profits from older industries into new lines of activity like electrical machinery manufacturing, the zaibatsu form of organization generated scale economies in finance, trade and manufacturing, drastically reducing information-gathering and transactions costs. By attracting relatively scarce managerial and entrepreneurial talent, the zaibatsu format economized on human resources. Electrification The push into electrical machinery production during the s had a revolutionary impact on manufacturing. Small enterprises did not mechanize in the steam era. Each machine could be powered up independently of one another. Mechanization spread rapidly to the smallest factory. Emergence of the dualistic economy With the drive into heavy industries “ chemicals, iron and steel, machinery “ the demand for skilled labor that would flexibly respond to rapid changes in technique soared. Large firms in these industries began offering premium wages and guarantees of employment in good times and bad as a way of motivating and holding onto valuable

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workers. A dualistic economy emerged during the 1920s. Small firms, light industry and agriculture offered relatively low wages. Income per head was far higher in the great industrial centers than in the hinterland. Tenants also found their interests disregarded by the national authorities in Tokyo, who were increasingly focused on supplying cheap foodstuffs to the burgeoning industrial belt by promoting agricultural production within the empire that it was assembling through military victories. Japan secured Taiwan from China in 1895, and formally brought Korea under its imperial rule in 1910 upon the heels of its successful war against Russia in 1905. Tenant unions reacted to this callous disrespect of their needs through violence. The relative decline of the United Kingdom as an economic power doomed a gold standard regime tied to the British pound. The United States was becoming a potential contender to the United Kingdom as the backer of a gold standard regime but its long history of high tariffs and isolationism deterred it from taking over leadership in promoting global trade openness. Germany and the Soviet Union were increasingly becoming industrial and military giants on the Eurasian land mass committed to ideologies hostile to the liberal democracy championed by the United Kingdom and the United States. It was against this international backdrop that Japan began aggressively staking out its claim to being the dominant military power in East Asia and the Pacific, thereby bringing it into conflict with the United States and the United Kingdom in the Asian and Pacific theaters after the world slipped into global warfare in 1914. As Nakamura points out, a variety of Occupation-sponsored reforms transformed the institutional environment conditioning economic performance in Japan. The major zaibatsu were liquidated by the Holding Company Liquidation Commission set up under the Occupation they were revamped as keiretsu corporate groups mainly tied together through cross-shareholding of stock in the aftermath of the Occupation; land reform wiped out landlordism and gave a strong push to agricultural productivity through mechanization of rice cultivation; and collective bargaining, largely illegal under the Peace Preservation Act that was used to suppress union organizing during the interwar period, was given the imprimatur of constitutional legality. Improvement in the social capability for economic growth In short, from a domestic point of view, the social capability for importing and adapting foreign technology was improved with the reforms in education and the fillip to competition given by the dissolution of the zaibatsu. Resolving tension between rural and urban Japan through land reform and the establishment of a rice price support program “that guaranteed farmers incomes comparable to blue collar industrial workers” also contributed to the social capacity to absorb foreign technology by suppressing the political divisions between metropolitan and hinterland Japan that plagued the nation during the interwar years. Japan and the postwar international order The revamped international economic order contributed to the social capability of importing and adapting foreign technology. The instability of the 1920s and 1930s was replaced with replaced with a relatively predictable bipolar world in which the United States and the Soviet Union opposed each other in both geopolitical and ideological arenas. The United States became an architect of multilateral architecture designed to encourage trade through its sponsorship of the United Nations, the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade the predecessor to the World Trade Organization. American companies were encouraged to license technology to Japanese companies in the new international environment. Japan redirected its trade away from the areas that had been incorporated into the Japanese Empire before 1914, and towards the huge and expanding American market. Especially striking in the Miracle Growth period was the remarkable increase in the rate of domestic fixed capital formation, the rise in the investment proportion being matched by a rising savings rate whose secular increase “especially that of private household savings” has been well documented and analyzed by Horioka While Japan continued to close the gap in income per capita between itself and the United States after the early 1950s, most scholars believe that large Japanese manufacturing enterprises had by and large become internationally competitive by the early 1960s. In this sense it can be said that Japan had completed its nine decade long convergence to international competitiveness through industrialization by the early 1960s. MITI There is little doubt that the social capacity to import and adapt foreign technology was vastly improved in the aftermath of the Pacific War. Creating social consensus with Land Reform and agricultural subsidies reduced political divisiveness, extending compulsory

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education and breaking up the zaibatsu had a positive impact. There is no doubt that M. By intervening between Japanese firms and foreign companies, it acted as a single buyer of technology, playing off competing American and European enterprises in order to reduce the royalties Japanese concerns had to pay on technology licenses. By keeping domestic patent periods short, M. And in some cases “the experience of International Business Machines I. How important industrial policy was for Miracle Growth remains controversial, however. The view of Johnson , who hails industrial policy as a pillar of the Japanese Development State government promoting economic growth through state policies has been criticized and revised by subsequent scholars. The book by Uriu is a case in point. Internal labor markets, just-in-time inventory and quality control circles Furthering the internalization of labor markets “the premium wages and long-term employment guarantees largely restricted to white collar workers were extended to blue collar workers with the legalization of unions and collective bargaining after “also raised the social capability of adapting foreign technology. Internalizing labor created a highly flexible labor force in post Japan. Ironically, the concepts of just-in-time and quality control were originally developed in the United States, just-in-time methods being pioneered by supermarkets and quality control by efficiency experts like W. Yet it was in Japan that these concepts were relentlessly pursued to revolutionize assembly line industries during the s and s. Dubbed a miracle, it is best seen as the reaping of a bountiful harvest whose seeds were painstakingly planted in the six decades between and In the course of the nine decades between the s and , Japan amassed and lost a sprawling empire, reorienting its trade and geopolitical stance through the twists and turns of history. While the ultimate sources of growth can be ferreted out through some form of statistical accounting, the specific way these sources were marshaled in practice is inseparable from the history of Japan itself and of the global environment within which it has realized its industrial destiny. Estimates of Japanese income and output by sector, capital stock and labor force extend back to the s, a period when Japanese income per capita was low.

## Chapter 2 : Business In Japan: Corporate Structure

*Management and industrial structure in Japan / by Naoto Sasaki. HD 70 J3 S Japanese manufacturing techniques: nine hidden lessons in simplicity / Richard J. Schonberger.*

The prototypical keiretsu appeared in Japan during the " economic miracle " following World War II and the collapse of family-controlled vertical monopolies called zaibatsu. Mitsubishi , Sumitomo , Yasuda and Mitsui. They focused on steel, banking, international trading and various other key sectors in the economy, all of which was controlled by a holding company. Apart from this, they remained in close connection to influential banks that provided funding to their various projects. Remaining assets were also highly damaged by the destruction of the war. Under the American occupation after the surrender of Japan , a partially successful attempt was made to dissolve the zaibatsu. Many of the economic advisors accompanying the SCAP administration had experience with the New Deal program under President Franklin Roosevelt , and were highly suspicious of monopolies and restrictive business practices, which they felt to be both inefficient, and to be a form of corporatism and thus inherently anti-democratic. During the occupation of Japan , 16 zaibatsu were targeted for complete dissolution, and 26 more for reorganization after dissolution. Matsushita which later took the name Panasonic , while not a zaibatsu, was originally also targeted for dissolution, but was saved by a petition signed by 15, of its unionized workers and their families. Additionally, the changing politics of the Occupation during the reverse course served as a crippling, if not terminal, roadblock to zaibatsu elimination. Shareholders succeeded over the family control of the cartel. This was made possible with relaxing of Japanese laws whereby holding companies could become stockholding companies. Types of keiretsu[ edit ] Cartels and groupings of various kinds are common in Japan. The two types of keiretsu, horizontal and vertical, can be further categorized as: The bank assists these companies with a range of financial services. Horizontal keiretsu may also have vertical relationships, called branches. Horizontal keiretsu peaked around , when over half of the value in the Japanese stock market consisted of cross-shareholdings. Since then, banks have gradually reduced their cross-shareholdings. The Japanese corporate governance code, effective from June , requires listed companies to disclose a rationale for their cross-shareholdings. Partly as a result of this requirement, the three Japanese "megabanks" descended from the six major keiretsu banks namely Mitsubishi UFJ Financial Group , Sumitomo Mitsui Financial Group and Mizuho Financial Group have indicated plans to further reduce their balance of cross-shareholding investments. One or more subcompanies are created to benefit the parent company for example, Toyota or Honda. Banks have less influence on distribution keiretsu. This vertical model is further divided into levels called tiers. The second tier constitutes major suppliers, followed by smaller manufacturers, who make up the third and fourth tiers. The lower the tier, the greater the risk of economic disruption; moreover, due to low position in the keiretsu hierarchy, profit margins are low. Banks play a crucial role in the smooth functioning of this organization. They assess the investment projects and provide loans when required. The trading companies sogo susha deal in imports and exports of an assorted range of commodities throughout the world. One of them was "interlocking" or "cross-holding" of shares. This method was established by Article of Commerce Law. This helped reduce the pressure on management to achieve short-term goals at the expense of long-term growth. The level of group orientation or strength between the member companies is determined by the "interlocking shares ratio" the ratio of shares owned by other group firms to total shares issued and the "intragroup loans ratio" the ratio of loans received from financial institutions in the group to total loans received. Industries such as banking , insurance , steel , trading , manufacturing , electric, gas and chemicals are all part of the horizontal keiretsu web. The member companies follow the "One-Set Policy" whereby the groups avoid direct competition between member firms.

## Chapter 3 : Japan Economic Structure | Economy Watch

*Management and Industrial structure in Japan, Naoto Sasaki, Pergamon Press, Strategic Management Journal. Volume 3, Issue 2, pages , April/June*

The structure of major companies in Japan, known as Keiretsu, is steeped in tradition and relationships. These early corporate formations were termed "zaibatsu," which translates to English as "monopoly." Its rationale was their monopolistic, undemocratic nature: Studies suggest zaibatsu holding companies bought politicians in exchange for contracts, exploited the poor in pricing mechanisms and created dysfunctional capital markets, all to perpetuate their existence. However, with Japan devastated after World War II, Japanese companies reorganized as keiretsus, which translates to "lineage" or "grouping of enterprises" in English, and structured along either a horizontal or vertical integration model. Under a zaibatsu, the largest industrial groups allowed banks and trading companies to be the most powerful aspects of each of the cartels and sit at the top of an organizational chart. These banks and trading companies controlled all financial operations and the distribution of goods. The original founding families were in full control of all operations. Shareholders replaced the families controlling the cartel as Japanese law allowed for holding companies to become stockholding companies. The Bank of Tokyo-Mitsubishi sits at the top of the keiretsu. Mitsubishi Motors and Mitsubishi Trust and Banking are also part of the core group, followed by Meiji Mutual Life Insurance Company, which provides insurance to all members of the keiretsu. Mitsubishi Shoji is the trading company for the Mitsubishi keiretsu. Their purpose is strictly distribution of goods around the world. They may seek new markets for keiretsu companies, help incorporate keiretsu companies in other nations and sign contracts with other companies around the world to supply commodities used for Japanese industry. Modern Vertical Keiretsus Vertical keiretsus are a group of companies within the horizontal keiretsu. Automobile giant Toyota is one such. All ancillary companies operate within the vertical keiretsu of Toyota but are members of the larger horizontal keiretsu, although much lower on the organizational chart. Without Toyota as the anchor company, these companies may not have a purpose for existence. Toyota exists as a major keiretsu member because of its history and relationship to major horizontal members that dates back to its early years of the Meiji government as the first exporter of silk. The Japanese focus on societal relations, as well as cross-shareholdings, allowed keiretsus to perpetuate themselves since World War II. This formed an interlocking relationship, especially if the member company borrowed from the horizontal member bank. Interlocking relationships allowed the bank to monitor borrowings, strengthen relationships, monitor customers and help with problems such as supplier networks. This arrangement limited competition within the keiretsu and prevented company takeovers by outsiders of the keiretsu. These early arrangements would later lead to the supply of workers by keiretsu firms and a board of directors that would come directly from the keiretsu. All businesses involved need to ensure business sustainability within the keiretsu. But while some may see success of keiretsu, others see problems. The Pros and Cons of Keiretsus The limited competition within the keiretsu may lead to inefficient practices. Because a keiretsu company knows it can readily access capital, it could easily take on too much debt and overly risky strategies. On the other hand, the reduction of costs due to dealing with intra-keiretsu firms can increase efficiency within the supply chain: The automobile keiretsu's invention of the just-in-time inventory system is a prime example. Information sharing within the keiretsu is another argument for increased efficiency. Information is shared among customers, suppliers and employees. This leads to quicker investment decisions and suppliers, employees and customers knowing the purposes and goals of those investments. Some would argue the economic crisis in Japan in the late 1990s forced Japanese companies to compete for price and quality by using market-based systems instead of keiretsu relational arrangements. Japanese companies were forced to seek financing outside the keiretsu by borrowing from the bond and commercial paper markets. The Bottom Line For the first time in recent Japanese history, Japanese keiretsus found their first crack, resulting in a forced loosening of traditional standards. Globalization

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and technology are other aspects that would force Japanese companies to open to competition by identifying new customers, increasing the efficiency of orders and researching new markets. The major question that remains: Is this a permanent solution, or will the keiretsu evolve into another new entity — much as the zaibatsus morphed into keiretsus a half-century ago. Trading Center Want to learn how to invest? Get a free 10 week email series that will teach you how to start investing. Delivered twice a week, straight to your inbox.

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## Chapter 4 : JICOSH Home | OSH Japan | Industrial Safety and Health Department

*Management and Industrial Structure in Japan (Pergamon international library of science, technology, engineering, and social studies) [Naoto Sasaki] on theinnatdunvilla.com \*FREE\* shipping on qualifying offers.*

Sources The business world of Japan has its own set of values and behavioral patterns. In public relations, these modes of behavior must be taken into account when working with Japanese business partners. In Japan, there is a concept known as *amae*. In the workplace, the boss owes a certain amount of protection to the employee, and the boss assumes a direct responsibility for the welfare of his employees. The longer an employee has worked for a company, the higher his or her pay. The protection also comes in the form of this increased salary, as well as in the form of benefits, which sometimes include company housing in the town. Housing in urban areas of Japan is known for its extremely steep costs 1. The longer an employee has worked for an organization, the more overall benefits he or she shall receive. In return, the employee is very loyal to his or her company. Some aspects to this "loyalty," are rather unfavorable. The employee will passively accept transfers to undesirable locations, and sometimes not take advantage of holiday entitlements 1. Mid-life career changes are seldom heard of. Another aspect of the company loyalty is an expectation that the employee will put in long unpaid hours, often well into the night, in social business settings. *Nomunication* is a buzzword that is a combination of communication, which is very important in any business setting, Japan or otherwise, and "nomu, which means "to drink. However, this "lifetime employment" concept refers mostly to male executives in corporate white-collar positions at large companies. Blue-collar workers often change jobs in pursuit of higher wages and better conditions. Relatively few women benefit from lifetime employment and most smaller enterprises do not offer the same long-term job security and benefits as major companies 1. Most organizations hire their employees straight from school. Many new employees are hired on the basis of general educational level, including what school the potential employee went to. Also, companies prefer to hire fresh members of the workforce over those with previous work experience, since they like to mold the new employees into their organizational culture 1. Japan is often portrayed as having a highly industrialized economy that is based upon large faceless organizations that are comprised of robot-like workers. But Japan is by no means constructed of workaholics with no passion for life or personal fulfillment. The best-known examples of Japanese business giants are the "Big Six": These large businesses deal with each other on a regular basis by ordering products and services from one another and by consulting on strategy and collaborative endeavors 1. An interesting practice that is present in Japanese companies is collective decision-making. One example of this is what is called *ringi-sei*, or the circulation of consultative memorandums around a company in order to achieve consensus. There are also systems where workers are encouraged to make suggestion to upper-level management and propose improvements ideas which are considered. However, most companies still are based on a top-down hierarchy in the management system, and all final decisions are ultimately made by a single individual 1. It is important that a public relations practitioner in Japan, or any other foreign nation, pay attention to and realize the importance of these conditions. Each foreign nation can be expected to base the media, organizations, and overall society on different principles than our own. Altering the message and media strategy to the shape of the nation in which the campaign is based is important to a succesful campaign. In Japan, the aspects of the business world can make or break a campaign.

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## Chapter 5 : Japanese Industrialization and Economic Growth

*JAPANESE MANAGEMENT AND THE STRUCTURE "From Wa to Z" Diane Lloyd Gillo. Associate Professor. Business and Economics. University of Wisconsin-Stevens Point.*

The Japanese regarded this sphere of influence as a political and economic necessity, preventing foreign states from strangling Japan by blocking its access to raw materials and crucial sea-lanes, as Japan possessed very few natural and mining resources of its own, although it imported large amounts of coal from Korea, Manchukuo, and some regions of occupied China. In the first period, the economy grew only moderately at first and relied heavily on traditional agriculture to finance modern industrial infrastructure. During World War I, Japan used the absence of the war-torn European competitors on the world market to advance its economy, generating a trade surplus for the first time since the isolation in the Edo period. Transportation and communications had developed to sustain heavy industrial development. Beginning in with significant land seizures in China, and to a greater extent after, when annexations and invasions across Southeast Asia and the Pacific created the Greater East Asia Co-Prosperity Sphere, the Japanese government sought to acquire and develop critical natural resources in order to secure economic independence. Among the natural resources that Japan seized and developed were: Japan also purchased the rice production of Thailand, Burma, and CochinChina. Steel production rose from 6,, tonnes to 8,, tonnes over the same time period. In Japanese aircraft industries had the capacity to manufacture 10, aircraft per year. Much of this economic expansion benefited the " zaibatsu ", large industrial conglomerates. Over the course of the Pacific War, the economies of Japan and its occupied territories all suffered severely. Inflation was rampant; Japanese heavy industry, forced to devote nearly all its production to meeting military needs, was unable to meet the commercial requirements of Japan which had previously relied on trade with Western countries for their manufactured goods. Local industries were unable to produce at high enough levels to avoid severe shortfalls. Furthermore, maritime trade, upon which the Empire depended greatly, was sharply curtailed by damage to the Japanese merchant fleet over the course of the war. By the end of the war, what remained of the Japanese Empire was wracked by shortages, inflation, and currency devaluation. The destruction wrought by the war eventually brought the Japanese economy to a virtual standstill. Japanese post-war economic miracle The war wiped out many of the gains which Japan had made since The people were shocked by the devastation and swung into action. New factories were equipped with the best modern machines, giving Japan an initial competitive advantage over the victor states, who now had older factories. US grant assistance, however, tapered off quickly in the mids. Finally, the economy benefited from foreign trade because it was able to expand exports rapidly enough to pay for imports of equipment and technology without falling into debt, as had a number of developing nations in the s. By the mids, production matched prewar levels. Released from the demands of military-dominated government, the economy not only recovered its lost momentum but also surpassed the growth rates of earlier periods. Japanese schools also encouraged discipline, another benefit in forming an effective work force. The mids ushered in a new type of industrial development as the economy opened itself to international competition in some industries and developed heavy and chemical manufactures. Whereas textiles and light manufactures maintained their profitability internationally, other products, such as automobiles, electronics, ships, and machine tools assumed new importance. Oil crisis[ edit ] Japan faced a severe economic challenge in the mids. The oil crisis shocked an economy that had become dependent on imported petroleum. Japan experienced its first post-war decline in industrial production, together with severe price inflation. The recovery that followed the first oil crisis revived the optimism of most business leaders, but the maintenance of industrial growth in the face of high energy costs required shifts in the industrial structure. Changing price conditions favored conservation and alternative sources of industrial energy. Although the investment costs were high, many energy-intensive industries successfully reduced their dependence on oil during the late s and s and enhanced their productivity. Advances in microcircuitry and semiconductors in the late s and s led to

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new growth industries in consumer electronics and computers, and to higher productivity in pre-established industries. The net result of these adjustments was to increase the energy efficiency of manufacturing and to expand knowledge-intensive industries. The service industries expanded in an increasingly postindustrial economy. But these rates were remarkable in a world of expensive petroleum and in a nation of few natural resources. Despite more petroleum price increases in , the strength of the Japanese economy was apparent. It expanded without the double-digit inflation that afflicted other industrial nations and that had bothered Japan itself after the first oil crisis in . Japan experienced slower growth in the mids, but its demand -sustained economic boom of the late s revived many troubled industries. The Tokugawa period “ bequeathed a vital commercial sector in burgeoning urban centers, a relatively well-educated elite although one with limited knowledge of European science , a sophisticated government bureaucracy , productive agriculture, a closely unified nation with highly developed financial and marketing systems, and a national infrastructure of roads. The buildup of industry during the Meiji period to the point where Japan could vie for world power was an important prelude to post-war growth from to , and provided a pool of experienced labor. Japanese businesses imported the latest technologies to develop the industrial base. As a latecomer to modernization , Japan was able to avoid some of the trial and error earlier needed by other nations to develop industrial processes. In the s and s, Japan improved its industrial base through licensing from the US, patent purchases, and imitation and improvement of foreign inventions. In the s, industry stepped up its research and development , and many firms became famous for their innovations and creativity. Before and immediately after World War II, the transfer of numerous agricultural workers to modern industry resulted in rising productivity and only moderate wage increases. As population growth slowed and the nation became increasingly industrialized in the mids, wages rose significantly. However, labor union cooperation generally kept salary increases within the range of gains in productivity. High productivity growth played a key role in post-war economic growth. The nation also benefited from economies of scale. Many industrial enterprises consolidated to form larger, more efficient units. Before World War II, large holding companies formed wealth groups, or zaibatsu , which dominated most industry. The zaibatsu were dissolved after the war, but keiretsu “large, modern industrial enterprise groupings” emerged. The coordination of activities within these groupings and the integration of smaller subcontractors into the groups enhanced industrial efficiency. Growth-oriented corporations that took chances competed successfully. Product diversification became an essential ingredient of the growth patterns of many keiretsu. Japanese companies added plant and human capacity ahead of demand. Seeking market share rather than quick profit was another powerful strategy. International conflicts tended to stimulate the Japanese economy until the devastation at the end of World War II. The secondary sector manufacturing, construction, and mining expanded to . By the late s, however, the Japanese economy began to move away from heavy manufacturing toward a more service-oriented tertiary sector base. During the s, jobs in wholesaling, retailing, finance, insurance, real estate, transportation, communications, and government grew rapidly, while secondary-sector employment remained stable. Even industries such as automobiles and electronics that had experienced phenomenal growth in the s entered a recessionary period in . Foreign and domestic demand for Japanese electronics also declined, and Japan seemed on the way to losing its leadership in the world semiconductor market to the United States, Korea and Taiwan. Unlike the economic booms of the s and s, when increasing exports played the key role in economic expansion, domestic demand propelled the Japanese economy in the late s. This development involved fundamental economic restructuring, moving from dependence on exports to reliance on domestic demand. The boom that started in was generated by the decisions of companies to increase private plant and equipment spending and of consumers to go on a buying spree. Japanese post-war technological research was carried out for the sake of economic growth rather than military development. The growth in high-technology industries in the s resulted from heightened domestic demand for high-technology products such as electronics, and for higher living, housing, and environmental standards; better medical care and more welfare; expanded leisure-time facilities; and improved ways to accommodate a rapidly aging society. Information became an important resource and product, central to

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wealth and power. The rise of an information-based economy was led by major research in highly sophisticated technology, such as advanced computers. The selling and use of information became very beneficial to the economy. Even here, however, the recession took its toll. In , the Nikkei stock average began the year at 23, points, but fell to 14, points in mid-August before leveling off at 17, by the end of the year.

Japanese asset price bubble In the decades following World War II, Japan implemented stringent tariffs and policies to encourage the people to save their income. With more money in banks, loans and credit became easier to obtain, and with Japan running large trade surpluses , the yen appreciated against foreign currencies. This allowed local companies to invest in capital resources more easily than their overseas competitors, which reduced the price of Japanese-made goods and widened the trade surplus further. And, with the yen appreciating, financial assets became lucrative. With so much money readily available for investment, speculation was inevitable, particularly in the Tokyo Stock Exchange and the real estate market. The Nikkei stock index hit its all-time high on 29 December when it reached an intra-day high of 38, The rates for housing, stocks, and bonds rose so much that at one point the government issued year bonds. Additionally, banks granted increasingly risky loans. At the height of the bubble, real estate values were extremely over-valued. Prices were only slightly less in other areas of Tokyo. Trillions were wiped out with the combined collapse of the Tokyo stock and real estate markets. Investments were increasingly directed out of the country, and Japanese manufacturing firms lost some degree of their technological edge. As Japanese products became less competitive overseas, some people argue that the low consumption rate began to bear on the economy, causing a deflationary spiral. The easily obtainable credit that had helped create and engorge the real-estate bubble continued to be a problem for several years to come, and as late as , banks were still making loans that had a low guarantee of being repaid. Loan Officers and Investment staff had a hard time finding anything to invest in that would return a profit. Meanwhile, the extremely low interest rate offered for deposits, such as 0. Correcting the credit problem became even more difficult as the government began to subsidize failing banks and businesses, creating many so-called "zombie businesses". Eventually a carry trade developed in which money was borrowed from Japan, invested for returns elsewhere and then the Japanese were paid back, with a nice profit for the trader. The Nikkei stock index eventually bottomed out at The downward movement in the Nikkei is likely due to global as well as national economic problems. Deflation from the s to present[ edit ].

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## Chapter 6 : Industrial relations - Organizational design | theinnatdunvilla.com

*Management and Industrial Structure in Japan. Authors; Authors and affiliations; Michael Colclough; Book Selection. First Online: 01 March 3 Downloads;*

Industrial Safety and Health Department Making workplaces where people can work healthily and safely a reality Source: Ministry of Health, Labour and Welfare Guidebook We are working hard on occupational accident prevention measures on the basis of the Industrial Accidents Prevention Plan, in response to the approximately , persons per year being injured and killed in occupational accidents. In addition, we are trying to ensure the safety and health of working people by promoting the prevention of occupational disease, maintenance and promotion of occupational health and the creation of a comfortable working environment Organization Matters concerning the overall coordination of the administrative offices of the Safety and Health Department; matters concerning the Industrial Injury Prevention Program; and others. Matters concerning promotion of technical cooperation with overseas countries in improving industrial safety and health, adjustment of Japanese safety and health standards with international standards, and collection and provision of overseas safety and health information. Matters concerning standards for industrial safety; supervision of agencies inspecting at the time of manufacture, etc. Matters concerning standards for industrial safety for the construction industry, etc. Matters concerning measures for the prevention of occupational diseases such as pneumoconiosis, physical impediments and anoxia, and measures for ensuring human health. Matters concerning the creation of a comfortable working environment, working environment measurements, and verifications of dust respirators and gas masks type. Matters concerning measures for the prevention of health impairment for workers by chemical substances. Among those, 1, persons were killed in accidents during and much precious life has been lost. For that reason, we are promoting of 1 industrial accident prevention measures for the construction industry and other such industries were numerous fatal accidents have occurred. In addition, we are promoting the spread of the "Occupational Safety and Health Management System," which is a means for safety and health management have prescribed the series of steps called "Plan-Do- Check - Act" at work sites and that is continuously and ceaselessly implemented. Such being the present condition, for all workers be able to bring their abilities into full play in good health, it is necessary to more actively plan for the promotion of maintenance and promotion of mental and physical health and the creation of a comfortable workplace in addition to the prevention of occupational disease. For this reason, we are promoting "the building of mental and physical health Total Health Promotion Plan: THP ", which will undertake in a planned and continuous manner the building of vigorous health, formulating the policy of "the guideline for the building of mental health in the work site" as part of the measures for mental health in the workplace, and planning the spread and establishment thereof. In addition, we are advancing the maintenance of Regional Industrial Health Centers and Occupational Health Promotion Centers for health management in small-sized work sites and for the support of industry health staff. Furthermore, we are promoting the building of a comfortable workplace by providing the guideline for the creation of a comfortable workplace, since making workplaces more comfortable should result in the revitalization of work even without considering the prevention of health impairment of people working there. Measures for the Prevention of Health impairment Due to Chemical Substances Chemical substances provide a great contribution to the development of industry and the realization of a rich lifestyle and the present life of our society could not be sustained without them. The Ministry of Health, Labor and Welfare is promoting measures for the prevention of health impairment for workers resulting from chemical substances such as the precise implementation of surveys of the harmful effects of chemical substances surveys of carcinogens through experiments with animals , making the indication system for dangerous and harmful chemical substances labeling, issuing material safety data sheets MSDS well-known, the promotion of the establishment of voluntary management of chemical substances in the work site. Development of Industrial safety and health awareness Holding National Safety Week and

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National Industrial Health Week, and establishing an award system for no industrial injury record Japan Advanced Information Center of Safety and Health provides safety and health information via the internet, and it has a virtual reality theatre where people can experience 3D simulated industrial accidents. Measures to ensure safety Enhancement of advance evaluation of conclusion plans It is required to file a report on plans to install, move, remodel building, machines, etc. Installment and remodeling of machinery and plants, and construction work are examined and assessed in advance. Safety enhancement of manufacturing facilities Measures to prevent industrial injury caused by machines structural standards, inspection, test Measures to enhance safety in construction work Assistance to small and medium sized general construction enterprises in improving their guidance to their subcontracting enterprises. Diffusion of safety management guidelines for construction sites by the original subcontractors. Enhancement of safety measures for construction work of low-rise housing including wooden houses. Measures to improve mental health at workplaces. Promotion of industry health activities Professional assistance to industrial physicians at prefectural Occupational Health Promotion Center. Provision of health consultations to small businesses at regional Occupational Health Promotion Center. Prevention of occupational disease Through management of working environment, operations, and health. Promotion of measures against pneumoconiosis, waist pain, disorders caused by ionizing radiations, oxygen deficiency, etc. International measures to ensure safety and health Promotion of safety and health measures to cope with Internationalization Promotion of technical cooperation with overseas countries in improving industrial safety and health. Exchange of safety and health information with foreign countries. Collection and provision of overseas safety and health information. Safety and health measures for workers dispatched to foreign countries. Ensure consistency of Japanese safe and health standards with international standards. Measures for small and medium sized enterprises Promotion of safety and health activities at small workplaces Providing assistance to improve safety and health level, the following programs are carried out:

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## Chapter 7 : Understanding Japanese Keiretsu | Investopedia

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The Development and Structure of Japanese Enterprise Unions John Benson The major reason for writing a paper on Japanese unionism is that much of the debate assessing Japanese enterprise unions was set in the pre period when the economy was strong and there was a shortage of skilled labour. Thus, whilst some commentators argued that Japanese enterprise unions were little more than an arm of management, [1] it was difficult to refute the argument that this form of unionism had resulted in real wage and benefit increases for a considerable period of time whilst generally ensuring a high level of job security for large numbers of workers. It is time to provide a more contemporary assessment of this form of union organization. Trade union history and development The rapid industrialization and economic growth that occurred after the Meiji Restoration in transformed many feudal workers to wage labour and led to a severe shortage of skilled workers. These conditions encouraged the formation of trade unions, although the reservoir of cheap agricultural labour meant that it would be some years before a viable union movement would emerge. In these early years attempts by workers to win improvements in wages, benefits and working conditions by engaging in strike action frequently met with strong opposition from employers and the government. Despite numerous attempts to form unions during the 1870s and 1880s, labour remained largely unorganized until the end of World War I. After this time the trade union movement began to develop, although union membership advanced slowly. A number of large-scale strikes occurred in the 1890s and in the early 1900s. By this time over 100 unions had been established, although they had recruited less than 10 per cent of the workforce. The aim of this organization was to control radical elements in the workforce and was part of a general crackdown on worker opposition to employers or government. While such unions had existed earlier, they were now strongly supported by management in terms of recognition and provision of facilities. Union types and structure Since the 1920s, over 80 per cent of union members have been part of an enterprise union which has exclusive representation within the company, although in some companies a weaker, second enterprise union or industrial-type union also existed. Nevertheless, most unionized enterprises have only one union representing employees [10] and this type of union accounts for over 95 per cent of all unions. This enterprise-based structure meant that unions tended to be found in the larger companies and government agencies where organising large numbers of employees was possible. The enterprise structure of Japanese unionism has meant that the major objectives of these unions have been the pursuit of economic goals such as job security, increased wages and improved working conditions; goals that have been traditionally pursued through collective bargaining. These goals and the enterprise structure of unions are consistent with the economic activities of companies [12] and can thus be broadly classified as business unionism. This form of unionism can be contrasted to social-democratic and revolutionary types of unions where unions seek a wider role in society or oppose antagonistic class interests. By adopting such a structure Japanese unions have been able to maintain a high degree of independence from the state and have not generally sought corporatist type arrangements from any of the major political parties. They have, by contrast, sought and encouraged cooperative arrangements with employers as part of their broader market-based strategies. Most full-time, regular workers in a company are eligible to join the union and this includes front line supervisors and usually managers up to the level of subsection head. Thus the typical union member in a Japanese enterprise union is a full-time male employee and the organizing policies of enterprise unions have served to protect this core group of male workers. Union officials are drawn almost exclusively from the membership, with some senior officials on leave from the company and working full-time for the union. The present day Rengo was formed from an amalgamation in 1988 of the private sector Rengo and unions belonging to three public sector peak union bodies. Rengo itself was the product of a merger in 1988 of unions belonging to five private sector peak union bodies. Total unity has not been achieved,

however, and two other smaller peak union bodies have emerged. The number of unions in Japan in stood at 59,, a decline of over 18 per cent from and 21 per cent from the record number of 74, unions that existed in At this time the total number of union members was 10,, which represented a decline in membership of 18 per cent from and 21 per cent from the record membership of 12,, in This represented a union density number of union members as a percentage of the total workforce of just over 18 per cent which is down significantly from the 25 per cent of workers who were members in and the peak density of Similarly, all three peak bodies have lost members in recent years [17]. The fall in union membership and density is graphically illustrated in the chart below. Declining Trade Union numbers and density, Source: This strategy was seen as essential if unions were to maintain membership in the wake of an increasing percentage of workers employed on a part-time or temporary basis see graph below. In a small number of cases, enterprise unions have also extended their coverage to take in workers from other related firms within the corporate group, [18] while others have allowed members transferred to subsidiaries to maintain their union membership and about a third of all unions have allowed temporary employees to join. Increases in non-regular and part-time workers, Source: OECD Economic Survey of Japan Japanese enterprise unions have traditionally placed strong reliance on collective bargaining at both the company and industry levels. Collective bargaining is an appropriate mechanism for this form of unionism as the key objectives of economic rewards and welfare benefits can be achieved by trading off aspects of work such as job control, work rigidities and the introduction of new work forms and technology. Underpinning this bargaining has been a tacit understanding that employment security was guaranteed. Collective bargaining in Japan over wages and other monetary conditions developed a unique form in the s. Groups of unions would lodge their wage demands and if these were not met would simultaneously stage repeated, short industrial actions. Key unions would lead the bargaining and set standards that weaker unions could adopt. The similarity of wage settlements across enterprises and industries demonstrated the influence of union federations and that the wage settlements were based on macro-economic conditions as much as enterprise considerations. During the s, with the bursting of the bubble and the economy experiencing very low growth rates and increasing global competition, wage settlements became more diverse and local enterprise considerations more important. Companies had been expanding joint consultative arrangements such that by nearly four out of five unionized enterprises had such mechanisms in place. Joint consultation was further strengthened by the revised Labour Standards Law which introduced statutory management-worker committees for the revision of working hours. Employers have, since about , also sought to align wage increases with business performance. While some employers have also attempted to extend performance criteria to monthly basic wages, it remains the case that this wage component remains strongly linked to age and length of service. There also appears to be greater diversity in scheduled hours of work, although overall unions have not made any major gains in this area in recent years. The increased diversity in hours of work may be partly a result of increased enterprise bargaining following the demise of shunto as a national system but is also due to the Social Agreement on Employment between Rengo and Nikkeirein, the then peak employer body, which committed the parties to maintaining employment while recognising that workers may need to accept shorter working hours and lower wages. Working days lost due to industrial action have been falling as have the number of disputes. The development, structure and strategies of trade unions What factors can explain why Japanese unions have adopted this enterprise focus? The first explanation is that the structure of Japanese unions is a product of certain historical traditions. This can be seen in the high levels of trust and collective identities that exist in the modern Japanese company which can be traced back to the Tokugawa period. The second explanation for Japanese enterprise unionism relates to the political context and the degree of liberalization and autonomy granted to worker organizations. The industrial unions that developed during the US occupation had increasingly engaged in industrial action that was strongly resisted by employers and the state. This occurred at a critical juncture of economic and political events which encouraged the state, the US occupation authorities and employers to restructure unions along enterprise lines. At the same time, the productivity movement was emerging in Japan with its underlying

principle of sharing enterprise gains between employers, workers and consumers. This was accepted by workers as a means of ensuring job security, and served to reinforce an enterprise union structure since productivity programs could be developed most effectively at the enterprise level. This explanation leads to a consideration of the role of employers in shaping union structure. Moreover, this was seen as a way to more closely align the interests of workers with those of the company. This led to employers providing resources for the enterprise unions, and these unions, with some guarantees of job security, were prepared to work with management to ensure the success of the company. Japanese firms operate, and have done so for many years, in a highly competitive domestic market. Through the keiretsu structure Japanese companies have a high degree of vertical integration and are usually focused on a particular industry. This industrial structure has resulted in intense competition between firms. In turn this competition has led to an emphasis on market share, which can be achieved by a unique product, a focus on quality and to a lesser extent price, and improvements in productivity. All of these are company-based objectives that are assisted by a union structure in which collective bargaining frameworks are enterprise based. For this group of union leaders, industrial or ideological concerns would become the province of the emerging union federations. More recently, although not an explanation of union structure per se, globalization has reinforced enterprise union structures both within Japan and in offshore operations. Toyota workers rally for wage hikes

**Conclusions** This paper examined the structure and activities of Japanese enterprise unions and explained the dominance of this form of unionism. Unions in Japan face many of the challenges that unions in other industrialized countries face. What then is the future of Japanese enterprise unions? The present climate provides a clear indication of the weakness of the enterprise union model. The demise of shunto, coupled with an increase in consultative activities within enterprises, have served to reinforce this form of unionism. Moreover, there is little pressure for change as can be seen in the inability of Japanese unions to provide a more inclusive union structure by recruiting part-time and women workers. While there are some possibilities for change, as shown by the emergence of several general or industrial type unions, and unions that go beyond one company to service workers in associated companies and networks, to date these initiatives are the exception and do not indicate a wider trend. Of course large companies will continue to be highly unionised, but with the demographic changes taking place in Japan, coupled with cutbacks in pensions that will force more people to take part-time work after retirement, it is likely that an increasing number of workers will fall outside unions and the protection and benefits they can provide. This paper is a condensed version of a chapter in a recently published book on trade unions in Asia. The full chapter can be found in *Trade Unions in Asia: An Economic and Sociological Analysis* London: Routledge, edited by John Benson and Ying Zhu. Posted at Japan Focus on November 3, *The Changing Tradition*, Berkeley: University of California Press. *How the Japanese Economy Works*, Washington: Brookings Institution; Kawanishi, H. Kegan Paul International; Galenson, W. Princeton University Press; Nakamura, T. University of Tokyo Press. *Contemporary Industrial Relations in Japan*, Wisconsin: University of Wisconsin Press; Gordon, A. Harvard University Press; Matsuzaki, H. University of Hawaii Press. Japan Institute of Labour; Kawanishi, , op cit. Japan Institute of Labour. University of Wisconsin Press. *Japanese Company & Japanese Labour*, Oxford: Japan Institute for Labour Policy and Training. Sato eds *Japanese Labour and Management in Transition: Diversity, Flexibility and Participation*, London:

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## Chapter 8 : Library Resource Finder: Location & Availability for: Management and industrial structure in J

*Japan is the third largest economy in the world behind the US and China. Much of its modern success can be defined by two significant periods of economic progress - the pre-war Meiji Era and the post-war Economic Miracle.*

Bring fact-checked results to the top of your browser search. Although the concepts and methods used to structure work have changed considerably over the years, many firms see no need to change their methods of management. Although most firms draw from the strengths of various managerial forms, work structure can fall into one of two categories: Specialization of function and separation of authority. Much of the early thinking about organizational design can be traced to the influence of Frederick W. Taylor. Although many of these concepts originated in the 19th century, they endured because they advanced the needs of the modern corporation, which has come to be defined by its multiple divisions and functions. Formal bureaucratic rules, specialization of functions, and close supervision proved suitable for disciplining and directing an immigrant and poorly educated labour force in factories geared to mass production markets. The phenomenal success of manufacturing organizations in the first half of the 20th century reinforced managerial faith in these systems and provided workers with sufficient improvements in income and standard of living to support their continuity. Furthermore, labour movements adapted well to this organizational framework, and the collective bargaining systems that developed in the 20th century provided workers with the opportunity to have their voices heard, if only indirectly, through union representatives. As a result, unions strengthened the division of labour in industrial settings. Scientific management also emphasized narrow job definitions and clear divisions of labour between jobs, thereby accommodating the low levels of education or skills expected of production workers. Finally, scientific management emphasized individual incentive wages. In this way, companies sought to maximize employee motivation by paying each worker for the output he or she produced. This approach was also meant to overcome any presumed conflict of interest between the worker and the firm. When the industrial unions that grew rapidly after the 1880s inherited this form of work organization, they generally accepted it, but they codified job descriptions, negotiated wage rates for each job, and established principles of seniority to govern worker rights to different jobs and workplace benefits. All these provisions were written into a collective bargaining contract, and disputes over interpretation of the contract were resolved through grievance arbitration. The production area was not the only part of the organization to undergo such rigid job classification. Specialization of function and clear lines of authority separated managers so that each was assigned to one department such as marketing, sales, finance, personnel, production, or engineering. Within the engineering and new-product development process similar specialized tasks separated design engineers, manufacturing engineers, industrial engineers, and so on. As departments and managerial tasks grew more specialized, a large cadre of middle managers was required to produce the financial and performance reports needed by top executives for monitoring and directing company-wide operations. These organizational design principles allowed large manufacturing firms around the world to use their economies of scale to improve productivity and increase profits. Sharing the fruits of these economic returns with the labour force in turn produced a stable industrial relations system. Participatory management and flexible work systems By the 1950s many of these traditional principles of organization and work group design were being challenged by early advocates of participatory management. Arguments for enlarging the scope of responsibilities and influence of individual workers were presented as better means of motivating workers and increasing job satisfaction. Competition from other countries magnified the significant productivity and quality performance problems that most American firms faced in the 1950s. At the time, Japanese and some European firms outperformed their American counterparts by adopting flexible work systems and participatory management practices. Japanese manufacturing firms in particular had instituted practices such as quality circles that were designed to produce continuous improvement. These approaches, articulated first by W. Edwards Deming, relied on knowledgeable workers who were authorized to interrupt the production

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process when they detected defects. The development and implementation of electronic and computerized technologies that began in the 1970s reinforced the need for flexibility in the work organization. Competitive pressures continued to break down many of the traditional dividing lines that had grown out of older and more restrictive job definitions. Critics of the new technologies argued that these approaches essentially took jobs away from many clerical and blue-collar workers while also giving managers new methods for controlling employees and invading their privacy. For example, computers and surveillance cameras can monitor the work of machine operators and therefore serve as a new form of electronic supervision. This approach replaces the personal presence and control of the supervisor or production foreman. The introduction of new technologies also displaces—and in some cases replaces—personnel, posing a threat to the job security and economic well-being of the workers affected. Thus, a critical challenge facing managers, worker representatives, and public policymakers lies in the management of technological and organizational change that will benefit not only individual firms but also the work force and the larger society.

**Union-management relations** Of all the conflicts found in industrial organizations, those involving unions and management have received the most attention. Labour unions are the primary means workers have for advancing their collective interests at the workplace. Much of the history of industrial relations is filled with efforts on the part of workers to gain the right to organize into free trade unions—that is, worker organizations that are controlled neither by employers nor by a government. While the actual percentage of workers who are organized into unions varies considerably from country to country and over time within individual countries, it is safe to say that there is no democratic country in the world where independent trade unions are not present. Unions serve an essential role in a democratic society by giving voice to worker interests. The best evidence of the importance of this function is that unions are often among the first institutions—along with the church and the press—attacked by totalitarian regimes. Unions and union-management relations are also of special importance in that, through collective bargaining and other formal and informal means of interaction, unions and employers establish the wages, hours, and working conditions of large numbers of workers. In countries such as Sweden, Denmark, and Norway collective bargaining covers more than 80 percent of the labour force. In Britain, Germany, and Japan it covers between one-third and two-thirds. Even in countries like France or the United States, where less than 20 percent of the workers are unionized, collective bargaining often sets new patterns in wages and other conditions of employment that are eventually adopted by nonunion employers. It should be noted that employers are often reluctant participants in collective bargaining. While the degree of opposition to unions varies among countries, this opposition is perhaps strongest in the United States, where employers have aggressively opposed unionization of their employees. This is one of the reasons why the right of employees to organize and bargain collectively is normally protected by law. This pressure came from increases in market competition within and between countries, the rapid rate of technological progress, the changing nature of the work force, shifts in jobs from highly unionized large manufacturing firms and industries to smaller, newer firms and service industries, and, in some countries, the election of governments less supportive of unions. As a result unions in the majority of industrialized countries have lost membership and continue to debate how best to adjust their strategies and practices to their changing environments. The following discussion, therefore, focuses both on the traditional union-management practices that have dominated relations since the 1930s and on how these practices have responded to pressures for change.

**Union organizing** The typical way in which workers become organized into a union in the United States is through an election campaign and vote on representation. A majority of workers must vote in favour of union representation and collective bargaining. In these campaigns arguments about the need for a union and the benefits of collective bargaining are countered by employer efforts to convince workers that they do not need a union. American workers historically have taken a pragmatic approach to this choice: In the case of clerical and professional employees, unions have appealed by arguing that one need not see the employer as hostile or untrustworthy to believe in the need for collective representation. Sometimes employers voluntarily recognize the union or remain neutral in the election process. This is most often the case in the public sector. Some

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private-sector employers have voluntarily recognized unions in new establishments in return for union cooperation and participation in the task of designing the work system, training the work force, and starting up operations. Such accommodation, however, is the exception in the United States; the typical picture of an organizing drive is still one of aggressive union campaigning in the face of aggressive employer opposition. The more adversarial the organizing campaign, the more likely it is that the bargaining relationship will develop along similar adversarial lines. Conversely, the less resistance to organizing by the employer, the higher the likelihood that the union-management relationship will evolve along cooperative lines. For example, one large manufacturing company that voluntarily recognized a union in the s, and has remained neutral in organizing drives held in new plants opened since then, has experienced only one brief strike in its entire history. This record stands in marked contrast to the pitched organizing battles and frequent strikes experienced over the years in the rubber, meat-packing, and coal-mining industries. Collective bargaining

What effects do unions and collective bargaining have on the outputs of the employment relationship that are of greatest interest to workers, employers, and the larger society? The historical evidence is that unions improve the wages, hours, and working conditions of their members. Perhaps the biggest and most direct effects have been on wages and fringe benefits ; estimates indicate that unions have raised the wages and benefits of their members by 15 to 30 percent above those of comparable nonunion workers. Unions have also pioneered over the years in introducing an expanded array of fringe benefits such as paid vacations, sick leave, pensions, seniority provisions, apprenticeship and training programs, and grievance procedures for resolving conflicts on a day-to-day basis. Assessing the effects of collective bargaining on the goals of the firm is a more difficult task. Historically, unions have served to encourage greater formalization and professionalization of personnel management practices. By increasing wages and related labour costs, unions have also encouraged employers to take actions that improve labour productivity. But the evidence is that, overall, unions reduce returns to shareholders, in part because they increase the cost of labour. Distributive bargaining is essentially a win-lose engagement. In contrast, with an integrative bargaining approach the parties engage in cooperative problem solving in an effort to achieve a resolution from which each party benefits. In reality, most bargaining relations are mixed-motive in nature; that is, they have both distributive and integrative features. In the s, however, the pressures on labour and management to solve complex problems intensified and therefore strengthened the efforts of many unions and companies to develop integrative relationships. The scope of labour-management relations expanded to include more opportunities for employee participation and union consultation in managerial decision making. Again, these innovative relationships did not spread to large numbers of bargaining relationships. Instead, sustained innovation and cooperation tended to be limited to environments in which the economic pressures for change were intense and the company was willing to share influence and power with the union and accept union leaders as joint partners in the enterprise. The workplace in different cultures

Do the principles of organizational behaviour and industrial relations apply universally across nations and cultures? This issue not only has fascinated scholars and policymakers but, at critical points in history, has influenced the course of international events. By the s the situation had reversed. Many American experts called for adoption of Japanese management practices in hopes of achieving the same high productivity, quality, and cooperative labour-management relations found in leading Japanese firms. In both of these instances some practices were effectively transplanted to the other country. Free trade unions and collective bargaining did evolve in postwar Japan, albeit not in the same fashion as they had in the United States. The success of Japanese management prompted many American firms to reexamine their own policies and practices and to implement certain principles of the Japanese system. This approach organizes workers into teams and promotes such practices as labour-management cooperation, worker participation, training in quality control, and just-in-time inventory systems, all of which contribute to higher quality and productivity than that produced by traditional American practices. It should be noted, however, that practices that are successful in one country may fail in another; imitation does not guarantee success. To understand why, and to explain why practices vary among nations, one needs to consider differences in national cultures, political and

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economic conditions, timing of the industrialization process, and key historical events that affect different countries. The comparative analysis that follows briefly reviews how these factors have influenced industrial relations in the United States, Japan, and Germany. These countries are often compared, because all three have achieved high rates of economic growth, productivity, labour peace, and improved standards of living, yet these results have been achieved through very different institutions and practices. The United States Perhaps the value most closely identified with American culture is that of individualism. The importance of individualism can be seen in organizational systems of authority and conflict resolution, where subordinates are free to question the orders of superiors and may attempt to resolve differences in a one-on-one fashion. The expected response to individual ambition and achievement is reward and promotion, and individuals normally turn to collective actions only when frustrated with organizational responses to individual efforts. The broader economic and political context in which organizational and industrial relations developed has been one that places a high value on the role of the free market and minimizes government intervention in private enterprise. This ethos was particularly strong during the period of rapid industrialization between the late 1800s and the 1920s. The economic and social shock of the Great Depression modified this position considerably, however, and since then the American public has expected the government to play a more active role in regulating economic policy and industrial relations practices. Still, the view favouring decentralized institutions, industrial self-governance, and free enterprise has kept industrial relations focused at the level of the firm. Given these values, it is not surprising that the greatest conflicts in American industrial relations tend to arise over efforts to unionize a company and over negotiation of the specific terms of an employment contract.

## Chapter 9 : Structure of Business Culture

*University) set up within "Industrial Structure Council" in joint work with the relevant government ministries and agencies. The interim report was issued on April 27th,*

The rapid industrialization that Japan achieved from the middle of the 19th century to the early 20th century was founded on iron and steel, shipbuilding and coal mining, particularly to meet defence needs. The sites in the series reflect the three phases of this rapid industrialisation achieved over a short space of just over fifty years between 1853 and 1945. The first phase in the pre-Meiji Bakumatsu isolation period, at the end of Shogun era in the 1850s and early 1860s, was a period of experimentation in iron making and shipbuilding. Prompted by the need to improve the defences of the nation and particularly its sea-going defences in response to foreign threats, industrialisation was developed by local clans through second hand knowledge, based mostly on Western textbooks, and copying Western examples, combined with traditional craft skills. Ultimately most were unsuccessful. Nevertheless this approach marked a substantial move from the isolationism of the Edo period, and in part prompted the Meiji Restoration. Western technology was adapted to local needs and local materials and organised by local engineers and supervisors. The 23 components are in 11 sites within 8 discrete areas. Six of the eight areas are in the south-west of the country, with one in the central part and one in the northern part of the central island. Collectively the sites are an outstanding reflection of the way Japan moved from a clan based society to a major industrial society with innovative approaches to adapting western technology in response to local needs and profoundly influenced the wider development of East Asia. After 1945, many sites later became fully fledged industrial complexes, some of which are still in operation or are part of operational sites. The sites collectively represents an exceptional interchange of industrial ideas, know-how and equipment, that resulted, within a short space of time, in an unprecedented emergence of autonomous industrial development in the field of heavy industry which had profound impact on East Asia. Viewed as an Asian cultural response to Western industrial values, the ensemble is an outstanding technological ensemble of industrial sites that reflected the rapid and distinctive industrialisation of Japan based on local innovation and adaptation of Western technology. Integrity The component sites of the series adequately encompass all the necessary attributes of Outstanding Universal Value. In terms of the integrity of individual sites, though the level of intactness of the components is variable, they demonstrate the necessary attributes to convey Outstanding Universal Value. The archaeological evidence appears to be extensive and merits detail recording research and vigilant protection. It contributes significantly to the integrity of the nominated property. A few of the attributes are vulnerable or highly vulnerable in terms of their state of conservation. The Hashima Coal Mine is in a state of deterioration and presents substantial conservation challenges. The physical fabric of the Repair shop at the Imperial Steel Works is in poor condition although temporary measures have been put in place. In a few sites there are vulnerabilities in terms of the impact of development, particularly in visual terms. At the Shokasonjuku Academy, the visual integrity of the setting is impacted by the subsequent development of the place as a public historic site and experience. However, this development does not adversely compromise its overall integrity. The residence is surrounded by small scale urban development that adversely impacts on its setting. The setting can only be enhanced if and when the surrounding buildings are demolished and any further development is controlled through the legislative process and the implementation of the conservation management plan. They possess a high level of authenticity as a primary source of information, supported by detailed and documented archaeological reports and surveys and a large repository of historical sources held in both public and private archives. Overall the series adequately conveys the way in which feudal Japan sought technology transfer from Western Europe and America from the middle of the 19th century. And adapted it to satisfy specific domestic needs and social traditions. Protection and management requirements A number of existing legislative protection instruments, both national and regional, provide a high level of protection for the sites and associated buffer zones. The relationship between the different types of legislation is provided in

the conservation management plans for each area. The most important of these instruments are the Law for the Protection of Cultural Properties that is applied to the non-operational sites, and the Landscape Act that applies to the privately owned and still operational sites that are protected as Structures of Landscape Importance. This applies to the four components owned and operated by Mitsubishi Heavy Industries Ltd. The Law for the Protection of Cultural Properties is the primary mechanism for regulating any development and change of the existing state of a designated place and under this law permission must be granted by the national government. Similarly, under the Landscape Act permission must be sought to change any Structure of Landscape Importance and owners of such structures must conserve and manage them appropriately. The control of development and actions within the buffer zones is largely controlled by city landscape ordinances that limit the height and density of any proposed development. Conservation management plans for each of the components have been developed that detail how each component contributes to the Outstanding Universal Value of the series. The Japanese Government has established a new partnership-based framework for the conservation and management of the property and its components including the operational sites. Kyushu-Yamaguchi and Related Areas. Under this strategic framework a wide range of stakeholders, including relevant national and local government agencies and private companies, will develop a close partnership to protect and manage the property. In addition to these mechanisms, the private companies Mitsubishi Heavy Industries Ltd. Attention should be given to monitoring the effectiveness of the new partnership-based framework, and to putting in place an on-going capacity building programme for staff. There is also a need to ensure that appropriate heritage advice is routinely available for privately owned sites.