

## WHAT IS "THE JAPANESE MODEL"

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### INDTRODUCTION

A great deal of attention is paid to 'the Japanese model'. Many other countries have been interested in the unusual characteristic of the Japanese industrial relations. This is not only due to Japan's exceptional economic record, but also low rates of industrial conflict, absenteeism and turnover associated with high worker productivity and production quality. Most commentators also have been concerned with the extraordinary commitment, identification, and loyalty of Japanese employees to their firm.

For many years it has been believed that Japan's industrial success based on the extraordinary "work ethic" of its industrial labour force and the peculiarities of Japanese 'corporate culture'. However, more recently, the Japanese production management system has been analysed in order to demonstrate the significance of the control system of Japanese model.

The purpose of this study is to examine 'the Japanese model' by discussing all approaches, such as culturalist and non-culturalist interpretations.

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Finally, an attempt will be made to give a general explanation to this model through looking at the main aspects of control systems and the attention will also be drawn to some critical approaches and the durability of the Japanese model as conclusion remark.

### **CULTURALIST INTERPRETATIONS TO THE JAPANESE MODEL**

Culturalist theories concentrate on the view that Japanese workers are still dominated by feudal type attitudes of loyalty to supervisors. This is why they accept managerial decisions. Most commentators also believe that compared with European countries, in Japan the transition to an industrial society took place quickly without a self-conscious middle class. So the character of Japan can be described as a special mixture of large-scale industrial production and feudal values and organizational structures.

It is argued that Japan's culture has been greatly influenced by both the high population density, and by the fact that Japan is a resource scarce nation. It depends on other nations for all its resources especially in terms of raw materials. This has influenced and yielded cultural characteristics which are unique to Japan. For example, they are always in need of minimising the waste to overcome the problems of acute population density and resource scarcity. It needs to be remembered that Japan is probably the most homogeneous of the world's great nations. This is important when we explain the cultural isolation of Japan. In other words, the ethnic homogeneity and the scarcity of raw materials had an effect on the development of a pronounced feeling of common national interest but also to the development of an equalitarian consciousness.

Attention has also been drawn to the relationship between the firms and its workers, the group orientation of the Japanese, and the strong work orientation of Japanese workers. The Japanese enterprise is viewed not only as a profit-making instrument but also as a society of people. It should be emphasised that reciprocal obligations within the enterprise are highly developed and the duty of the employer to provide employment and generally look to the well-being of employees is matched by willing acceptance by employees that their energies should be devoted to furthering the efficiency and prosperity of the enterprise (Dore 1973, Koike 1988).

Japanese companies are said to be the dominant corporate unit in Japanese society. Basically, the source of modern Japanese worker's psychological dependence on and identification with the company drive from Japanese culture. There is not much disagreement that there are three pillars of Japanese system. They are as follows: lifetime employment, seniority wages, and enterprise unionism which are believed to encourage high worker morale and are peculiar to Japan.

It is useful to give a brief explanation about each of these personnel policies. One of the key aspects of Japanese labour management is lifetime employment which produces a mutual commitment between employer and employee and establishes a convergence of interests between the two parties. It is also worth mentioning that a lifetime commitment to employees leads to a reduction in labour mobility between firms and the potential for mobility arises within firms and the high degree of employment stability meets the employee's need for security. It should be said that it is common in the other countries for a company to lay off workers, but in Japanese companies this can only be attempted as a last resort.

One can explain the principle of lifetime employment in terms of the strong feudal tradition in Japanese culture.

The second important feature of Japanese personnel practice is seniority-based payment systems which means that the rates of pay is determined in terms of age and length of service rather than on performance. Seniority-based payment systems also tend to address problems of recruitment and high labour turnover. Finally, Japanese unions are based on enterprise unions. Each Japanese company has an enterprise union which comprises all employees. It is unusual to see state action or conflict, the unions seem to have a close relationship with their company. This is usually criticised by a number of commentators because of weakening interests of union members.

One can explain the principle of Japanese personnel policies in terms of the strong feudal tradition in Japanese culture. Therefore, it is claimed that the Japanese have a group-oriented mentality. The workers' employment and their welfare is so important. It is a fact that the essence of Japanese culture seems to be the kind of mentality where priority is given to the group. Moreover, one of the important aspects of Japanese labour management practice associated with company loyalty is company based welfare provision what is called "welfare corporatism" by Dore (1973). This is quite crucial in order to understand Japa-

nese firms' ability to integrate and motivate their employee as a result, most companies offer a range of company based welfare benefits which can be identified as follows: assistance in cases of sickness, accident or death, educational benefits for employees and facilities including subsidised housing, holiday homes and company provision of shops and schools.

What is to be argued here is that most culturalist thesis has also concerned with the high morale of workers which encouraged both a system of welfare and permanent employment (Dohse, et al (1985), Oliver and Wilkinson (1988) ).

Having discussed the cultural approach to the Japanese model, now attention should be paid to non-culturalist interpretations to the Japanese model.

### **NON-CULTURALIST INTERPRETATIONS TO THE JAPANESE MODEL**

It is said that the competitive successes of Japanese firms is based on the strategies and designs of Japanese managers. In fact, those who advocate Japan's superior management methods do not totally ignore the cultural thesis. For Dore, cultural factors are not only an important point to explain the Japanese system, one also must consider the late industrialisation trend in Japan. This means that Japan benefited from the experiences of already industrialized countries. In other words, Japan had a chance to select control systems which were well adapted to the modern world economy.

Taking a non-culturalist view into consideration, two approaches can be distinguished. They are called by Dohse et al (1985) as the Human-Relations approach and the Production-Control approach. Firstly, the Human-Relation approach will be examined and then the production-control approach will also be discussed.

#### *a) The Human-Relations Approach:*

The Human-Relations approach centred on the significance of the creative involvement of the employees for the management of the labour and production process. This approach has criticised Fordism by saying that Fordism neglects the importance of the creativity potential of the employees for productivity. In fact, Fordism requires two important principles. One of them is the separation of intellectual and manual work (simply Taylorist philosophy), the other is the spe-

cialization of work activities in easily learned repetitious work steps. Whereas, according to the Human-Relations approach under the new trend which include intensive competition between firms, greater emphasis on product quality and on accelerated rate of innovation in product and process technology, management needs to use the innovative potential of the employees. It is argued that Japanese management gain great benefit in terms of cost advantages through applying human-resources management which use workers intellectual capacities for the goal of production.

The human-resources management also give rise to several advantages to the company such as motivation, loyalty, the quality of work, and identification with the firm increase. It should be mentioned that in this view, compared with the Taylor-Ford organizational paradigm, work organization is determined to give decentralised responsibility to employee. This is quite important that the responsibility of the individual workers for product quality increases the motivation for quality work (Dohse et al 1981).

In brief, the overall success of the Japanese organization of the labour process is based on a superior management of the 'human factor' it would be better to say, an extensive attempt is made to integrate human factors into the production system. Japanese firms intend to improve the quality of their products not only by automation and capital investment, but also by taking seriously their employee's suggestions for improvements, particularly by employee participation in quality control circles. Actually, quality circles consists of between five and ten employees who collectively intend to improve quality and performance through identifying and seeking solutions to problems encountered, besides, quality circles are usually lead by foremen, assistant foreman or work team leaders (Oliver and Wilkinson 1988). Accordingly, production teams have not only responsibility for guaranteeing efficiency and improvements at the work side but also for product quality. Bradley and Hill (1983) comment that there are three major aspects that underlies quality circles. Firstly, all employees are capable of improving quality and efficiency as well as managers and technical experts. Secondly, employees have relevant knowledge about work processes and finally, quality is seen to be as a part of the complete production process.

It is also interesting to note that Japanese employees tend to be receptive to automation primarily due to their job security providing job security can be regarded as an independent goal of Japanese management so as to motivate em-

ployees and to promote innovativeness. Even the wage system is recognized as an important element of management which protects workers from down-grading and from any fears that may preclude innovation.

As far as the innovative potential of the employees is concerned, job rotation is also one of the significant personnel policy of Japanese management. It enables the firm to reassign production and office workers more freely. So, workers perform different jobs and make board suggestions for improvements in work organization.

In short, the Human-Relations approach has been concerned with motivation, identification with the firm and its products and stimulation of responsibility (Dohse et al (1985), Sethi, S. (1984) ).

b) *The Production-Control approach*

The basic premise of this approach is that the Japanese model of production control is responsible for high job performance and flexible labour deployment. In this sense, the motivation of individuals and their identification with the aim of the company play a secondary role. According to Dohse et al (1985), Taylorism and its principle has an important degree of influence in Japanese organisation.

What is called "Toyotism" is usually associated with Dohse's argument. Toyotism is said to be a more advanced and exploitive version of Fordism. Dohse and his colleagues go on the argument that, although there are not much difference between "Toyotism" and Taylorism, "Toyotism" can be seen as a solution of Taylorist problems of the resistance of the workers to placing their knowledge of production in the service of rationalization. This model also provides unlimited prerogatives to management (Kenney M. and Florida, R (1988) ).

According to Jurgens (1989) Japanese management has greater control over the work and production process without having to differentiate this control organizationally and socially and he comments that there are five significant elements for Japanese model and its productivity success. They are as follows:

- i) The level of qualifications and methods of vocational training. The training courses in firms is more important than the entry qualification. It seems to be "the system of collective apprenticeship".

- ii) Mobilization of problem-solving knowledge. Japanese management use the knowledge and experience of production workers so as to solve production problems such as quality circle.
- iii) The specific forms in which technology is used and production controlled; the Japanese production system has three major principles in this context as flexibility in utilization of facilities; minimization of quality problems and minimization of product-flow buffers including material, manpower or time buffers. What should be noted, though, is that the intense manpower utilization became important under this production system. It must be stressed that just-in-time principle is widely used by Japanese automobile companies. Simply, Just-in-Time philosophy based on improvement of productivity and eliminating waste by using a minimum amount of facilities, equipment, materials and human resources. To put it more simply, the idea of Just-in-Time is that goods should be produced just in time by involving a scheduling system, where stocks are supplied only when they are needed and work in progress is closely controlled.

Furthermore, the system is dependent on the balance between the supplier's flexibility and the users flexibility and also it requires a great deal of employee involvement and group work in order to make the production process work effectively (Oliver and Wilkinson 1988 and Kenney and Florida 1988) it is crucial to stress that this principle of a constant increase in the pressure for rationalization not only reduce material buffers, but also personnel and working time buffers.

- iv) The importance of groups and group relations. It is regarded as "family" and "social contacts" and it is worthwhile commenting that the Japanese groups have no power to force the management hierarchy.
- v) The ways in which behaviour is steered and conformity assured. Jurgens' last element is individual conformity and 'compliance'. It is widely accepted that the lifelong job security is the most important precondition for the high degree of loyalty to the firms. This system also brings about a high degree of employee stability. This is why it makes employees accept technical or technological change easily. In addition to this most Japanese employees identify themselves with the company therefore, the close relationship between individual and company create the dependency on the company.

Furthermore, it should be emphasised that the individual achievement and personnel evaluation is quite significant in pay determination, the seniority-based wage system which is based on the length of employment or age is the dominant practice in Japan. The expenditure of Japanese companies on personnel evaluation is said to be high. What is so significant here is that the result of the evaluation including the individual work performance and behaviour play an important role in the determination of individual pay, promotion and work placement.

Finally it should be stressed that the principle of company union is the most important explanation for the 'compliance' of Japanese employees. Enterprise unionism means that Japanese employees are lack of autonomous and collective interests. This unionism seems to provide more advantageous for management rather than employees. Now, there is a need to give a general explanation for 'Japanese model' in the light of the discussion above.

### **GENERAL DISCUSSION ON JAPANESE MODEL**

It is necessary to raise a question that: Why do Japanese employee accept this Japanese model? Basically, this system creates a number of control systems discussed earlier which underpin the Japanese model. Under this model the intensification of work is intensively seen. Kamata argues (1983) that in the Toyota assembly plant workers are subjected to assembly line speed-ups, understaffing and the other poor working conditions. Workers hardly have any individual freedom because they are closely supervised and controlled.

According to the case studies of Williams et al (1990) in Nippon car, Japanese manufacture, Nippon car has an extensive control over the workforce. For example, the company's QC's punish workers who have had traffic accidents as private individuals in their own time off company premises. The other kind of punishment also can be seen in the case of Nippon car such as short hair cut. Besides, at Nippon car all manual workers have to meet the standards of work effort and time commitment and also Just-in-Time system force all workers to intensify their effort in order to meet production targets and they are expected to sacrifice free time to the company (Williams et al 1990).

Some workers argue that under Just-in-time (JIT) environment workers are like servers in a fast food restaurant. Many observers have noted that JIT



system require an important degree of employee' responsibilities, commitment, co-operation and self-discipline. However, in spite of the fact that there is a considerable emphasis on developing behavioural skills compatible with the productive objectives of the firm, there is not any reskilling of the workforce or any greater degree of employee autonomy (Tumbull, P. (1989), Sayer (1986) ).

A number of commentators argue that the Japanese system of industrial relations can be explained in terms of post war development rather than feudal and cultural values. In the 1950s the constitution of the current Japanese system of labour relations was established especially in the automobile industry there was an intense labour struggle. However, in the period of this conflict, Japanese firms destroyed the militant post war unions and then Enterprise unionism became popular which basically depend on company goals. This make unions much more strongly dependent on market success of their firm. Consequently, the scope of labour union demands is restricted. It can be said that Japanese enterprise unions, which are specific to the firm and whose fortunes depend on the fate of the company goals. This make unions much more strongly dependent on market success of their firm. Consequently, the scope of labour union demands is restricted. It can be said that Japanese enterprise unions, which are specific to the firm and whose fortunes depend on the fate of the company. Today Japanese enterprise unionism was achieved by Japanese management by a struggle. In this context, cultural explanation is not enough to explain the structure of labour relations.

For example, in the case of Nippon car and Tokyo Motors, the company unions has operated for about thirty years under the system of economic rewards and punishments, therefore, individual and small group resistance is regarded as very costly and damaging (Williams et al 1990).

There are also several criticism about the Japanese concept of life-long employment. The first fact to note is that this system creates the increased dependence of the employees on the company for instance, when the workers enter the internal labour market of the large Japanese firm, there is no further possibility of advancement outside that firm. It is important to stress that this system provides quite significant advantages for management when promotion and wages are determined, the factors such as work effort, co-operativeness, conscientiousness and innovativeness are much more important than the factors like seniority and age.

In other words, workers have to prove their loyalty and work effort to advance in the internal labour market because, each year supervisors evaluate all workers in terms of their behaviour and work effort to advance in the internal labour market because, each year supervisors evaluate all workers in terms of their behaviour and work effort it is not correct to describe this wage system as seniority wage system. Japanese workers are said to have strong competition among them, despite group orientation nature. This is probably due to the system of individual treatment. Management determine the promotion chance of an individual worker. This is why, Japanese employees always have to make an effort to demonstrate as individuals their usefulness to the company. One is likely to see the conformity in the consciousness and attitude of Japanese employees by taking the dependence of the individual on management's evaluation of their performance into account. Let us put it more simply. This system explains the participation in the innovation process even at the expense of 'physical stress' and 'increased work' (Dohse et al (1985), Cusumano M. A. (1985) ).

It is hardly surprising that that because of this control system Japanese workers are not so keen on taking their vacation time and they are rarely absent due to sickness.

One would ask the question, how many Japanese workers actually enjoy the privileges of lifetime employment. Koike argues (1988) that Japanese blue collar workers and white collar workers in large companies share life-long career development with a single firm. He goes on arguing that a large company's labour-force structure is distinguished as full-time regular employees and non-regular employed workers. The latter group of workers serves as an indispensable buffer against production fluctuation, providing the labour-market type of flexibility.

Therefore, it can be said that employment security exists merely for core workers. On the other hand, temporary workers enjoy none of the privileges of the permanent workforce. Also, women are almost never granted any benefits from the privileges of lifetime employment, so, they occupy the lowest paid jobs in the firms. It should be added that Japanese companies have developed many ways to gain flexibility in using their workers. For instance, employees can be transferred within the company or to other companies and also when a permanent employee is retired, he may become a temporary worker at the company or at another related company with a much lower salary, fewer fringe benefits and no job security.

Williams et al (1990) points out that under this control system, it is easy to make a consent and conformity. Employees who are committed to work are rewarded with a formal or informal guarantee of permanent employment. He is quite right in saying that the guarantee of permanent employment is provided, as long as the economic situation goes well. Workers may not be dismissed, however, they can be transferred to other company shops or redeployed to supplier firms. In the case of Nippon Cars and Tokyo Motors, the guarantee of continuing employment does not apply to seasonal or casual workers. Women are also required to give up their jobs after they marry.

It is important to keep in mind that the weakness of Japanese labour movement enables management to reinforce the control system. The lack of solidarity among Japanese workers and autonomous collective institutions explains the characteristic of labour relations in Japanese firms. Especially in the Japanese automobile industry the union is hardly allowed to function independently. In other words company policy has always had an influence on labour unions. It is not surprising to see the same person as supervisors and representatives of the workers. It is also quite interesting to mention that the election of labour representatives take place under the supervisors control. Therefore, when workers vote, they have to consider any possible discrimination in promotions and personnel evaluations.

It is also said that Japanese companies have a considerable influence on their employees' lives even beyond the workplace. It is easy to put a link between this attitude and the system of personnel evaluation with its consequences for the career of the individual employee (Dohse et al (1985), Sethi, S (1984), and Kumaza and Yamada (1989).

## CONCLUSION

There are several approaches to "the Japanese Model" which has already been examined. In short, some argued that the conformity in the consciousness and attitude of the employees is as a result of the historical, social and cultural peculiarities of Japan. It is a belief that Japan's late developer status and a number of cultural and institutional forces gave rise to "the Japanese Model".

The human relations approach concentrated on the function of employment security in promoting motivation and identification with the company. On

the other hand, control approach to Japanese model centred on commitment, integration and dependence as the mechanisms of control. In other words, internal labour markets lead to commitment by increasing employer tenure and promotion chances. Participation in decentralised decision-making teams help to integrate and perceive job complexity. However, the reality of the system is quite different. The autonomy given to the participants in quality circles tend to be tightly constrained within defined boundaries the role of the group being to put forward suggestions to the management rather than to take control of the system. It is to say that management diffuse responsibility and commit workers to organizational decisions, without producing significant changes in the power structure of the firm (Lincoln and Kalleberg (1985) ).

It is obvious that enterprise unionism cause greater commitment of the Japanese workforce to Japanese management practices and organizational structures.

One must emphasize that although the system of life long employment provide some degree of security against dismissal and down-grading, this security is dependent on the subjective evaluation of supervisors. Pay and employment status based on a more individual system of assesment which is determined predominantly by management. On the other hand, company unions in the workplace do not resist management prerogatives, rather, they undermine collectivism.

It can be argued that "Japanese model" survives under good economic conditions. If there is a decline in their market power the Japanese model may be dismissed in some way. Forinstance intensive international productivity competition and rapid technological innovation force management to free itself from the custom of life long seniority based employment practice, some companies started to exercise redundancy among long service employees of middle age or over. In addition to this, there is a slow tendency for Japanese workers towards taking earned vacation time. This is primarily due to the pressure of western labour unions on Japanese employee organization.

It should be concluded by saying that Japanese production system and their associated personnel, employment and remuneration system are widely regarded as control system of Japanese management rather than specific to culture or philosophy of Japan. However, one must not ignore the historical, social and cultural peculiarities of Japan. Therefore, it is quite safe to agree with the view

that the conformity in the consciousness and attitude of the employees is not solely the result of the historical, social, and cultural peculiarities of Japan. It is, rather, the result of carefully designed control systems.

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