

## Inside the Kaisha: Demystifying Japanese Business Behavior

by Noboru Yoshimura and Philip Anderson

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Most books about Japan and about Japanese management are written by Americans. The books tend to fall into one of three categories: those which try to explain Japanese corporate culture by relating it to Japanese national culture as typified by its agricultural origins, gardens, tea ceremony, Kabuki theatre, and so on; those which are written by visitors or long-time residents and which offer vignettes, sharp observations and important tidbits of advice on how to do business in Japan; those which focus on strategic or structural analyses of Japanese businesses by comparing them to American ones.

Most such books, believe the authors, "grasp a kernel of the truth (but) much of what Western experts write about Japanese management and companies is distorted, or uncharacteristic of their generation, or somewhat correct while overlooking important exceptions."

The uniqueness of *Inside the Kaisha* is that it represents a collaboration between a midlevel Japanese manager and an American steeped in Western ways of thinking about organizational behavior. It is the first to provide the reader with an insider's view of how Japanese managers put business behavior in context.

This book is written for the reader who is frustrated because reading more and more about Japan doesn't help him or her unravel many puzzles of Japanese business behavior. Why are Japanese businessmen and their companies so difficult to peg? Why do they seem simultaneously short-sighted, yet oriented toward the long term, egalitarian, yet locked into rigid hierarchies; allies one month and

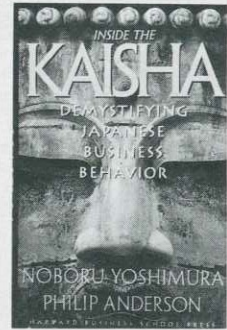
competitors the next?

To understand Japan, the authors focus on the white-collar middle managers ("salarymen") whose beliefs and socialization are the bedrock of large Japanese enterprises and these are of course the kind of manager Westerners are likely to encounter in business: a white-collar male who has graduated from a prestigious university and works for one of the largest manufacturing or service firms. This book's purpose is to help the reader develop a feel for the way salarymen think, because understanding the world of the salaryman improves vastly one's ability to understand how Japanese organizations will behave as suppliers, customers, allies and rivals in commerce. No other book has yet brought to Westerners the experience of some 50 salarymen as told to one of their own.

By contrast to those books which are filled with descriptions of how complicated Japanese society is, this book returns to just four recurring themes: 1. The importance of context from a Japanese point of view; 2. How Japanese learn appropriate behavior by imitating behavioral models; 3. The drive to avoid embarrassment, which is the fundamental motivation of most Japanese; and, 4. The primacy of process over content (that is, conducting oneself with an appropriate attitude is more important than the right outcome).

Starting with the earliest educational experiences common to Japanese salarymen, the book follows them through school and university into their life as raw recruits socialized into homogeneous salarymen designed to function well in just one company's environment. This forcefully drives home the point that "Japanese culture has no fixed ideological core, so the Japanese model of appropriate behavior depends on the context one perceives." By contrast, the Western or Judeo-Christian tradition tries to balance this concern for context with a concern for adherence to universal principles such as truth and honesty.

The bulk of the book, six chapters, focuses on one important puzzle that



often misleads outsiders and causes them to view Japanese behavior as inconsistent and unpredictable:

—Why double standards appear to apply—one for Japanese and another for foreigners

—Why Japanese firms appear harmonious to outsiders despite the widespread lack of interpersonal trust within them

—Why Japanese firms emphasize cooperation, yet display fiercely competitive behavior

—Why Japanese seem patient and visionary, yet extremely short-sighted at the same time

—Why so much ambiguity co-exists with fanatical attention to documentation, precision and clear rules inside Japanese firms

—Why Japanese firms are so egalitarian, yet so rigidly dominated by rank and hierarchy.

One of the most depressing statements in the book is that the deeply ingrained organizational mechanisms of Japanese companies which made them so competitive in a continuously growing economy would keep them from adapting, should a discontinuous change slow growth dramatically.

However, the story-based method of the book makes it very easy to read, and I found the book revolutionizing my view of Japan and Japanese management: even when it discusses well-known phenomena (such as *tatema* and *honne*, or *senpai* and *koha*) it places them in a completely different context which illuminates them rather differently from anything that I have come across earlier. Because most people from the Eastern hemisphere experience their world intuitively rather than analyze it logically (as in the West), I believe that the book will be equally enlightening and interesting for Japanese readers.

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