

Japanese Leaders: Perceptions and Realities

By Prabhu Gupta

When I mentioned to a friend that I was working on an article about Japanese leaders for a business journal, he asked "Are there any Japanese leaders?" I would have put this rude remark down to the common Western ignorance about so many things Japanese, but my friend is a reasonably well-known and experienced consultant in international business. I responded that I was referring to people such as Morita Akio, Honda Soichiro and Matsushita Konosuke. "Morita and Honda and Matsushita are entrepreneurs and businessmen—outstanding entrepreneurs and businessmen," he said, "but are they leaders?"

As you can imagine, a spirited discussion ensued on the meaning of leadership and which Japanese individuals can be considered to be real leaders. During the discussion it emerged that there were two related issues. First, Western ideas about leadership are somewhat unclear and ambiguous; second, there are Western myths regarding Japanese leaders and Japanese leadership, which clouds the picture.

On the first issue, Western ideas about leadership have come from two principal and opposed streams. Initially, they were formed by pre-Christian ideas about heroes. But in the last 10 centuries or so, the Western understanding of leadership, and indeed about heroism, has been profoundly changed by the examples and teachings of Jesus Christ.

The story is told in the clearest possible way in *Great Leaders*, an outstanding book by the British management guru on leadership, John Adair (Talbot Adair Press, Guildford Surrey, U.K., 1991). Briefly, a change has taken place from the idea of the leader as pioneer, strongman and conqueror, to the idea of the leader as someone who knows how to use power wisely and even self-sacrificially in order to enable the talents of others to flourish also. However, in the last 50 years, Christianity and Christian

ideals have been under attack in the West. It is only in the last five years or so that there has been any reassertion of Christian ideas on the broad socio-political and public stage. (See, for example, Michael Schluter's book, *The R Factor*, Hodder & Stoughton, U.K., 1993.) So the struggle between pre-Christian and Christian ideas of leadership has not been completely settled in the West.

What about Western misconceptions of Japanese leaders? These are numerous, beginning with my friend's misconception that there are no Japanese who deserve to be considered leaders at all. He was speaking from the viewpoint of a man in early middle age, who has grown up in an environment which has seen the dominance of the pre-Christian idea that strength and victory determine whether or not someone should be called a leader. Being born and raised in the East (and Jesus was an Easterner), I have a slightly wider understanding of what it means to be a leader.

Some people do not know enough about the subject to be able to enter the debate at the level of my friend. Such individuals are simply ignorant, but knowledgeable people also suffer. And the question must be asked, if there are so many (or, at least, some) Japanese leaders, why is it that most people in the West don't know about them?

The Japanese leaders who are known are, interestingly, not the politicians. This is quite different from the U.S. or Italy, for example, about whose political, social and other leaders we tend to gather at least some information, through newspapers and magazines, books and the media. If Western communication media focus on Japanese business leaders, they do so because of conflicts, alliances, increasing market share of Japanese companies, fear, jealousy and other such emotions. Naturally, we should not expect a clear picture of Japanese leaders to emerge from sources such as these. But it is

also true that Japan has had few known social or political leaders who the West can easily identify with or appreciate. If one approaches this issue through the enormous amount of Western books on Japan, one finds that the authors try to make generalizations and use stereotypes in order to "explain" the Japanese to Westerners.

For example, Mark A. Zimmerman in his very perceptive book *Dealing with the Japanese* (George Allen & Unwin, 1985) says: "Leadership in Japan is the art of achieving consensus within one's group, not the ability to take independent decisions and enforce them ... outward humility is the *tatemaie* (superficial appearance) used to maintain harmony, or *wa*, in human relations, behind which is the steely determination of the Bushido spirit that arose out of the feudal period of constant civil war before the Tokugawa shogunate took control." In Zimmerman's view, Japanese leadership is about consensus seeking and this is the first Western stereotype regarding Japanese leadership.

Zimmerman, relying on Japanese history and religions, explains that: "The shoguns molded the fierceness and loyalty of the samurai into a behavioral code based largely on Confucian ethics and kept the warriors in comparative poverty to prevent them from raising the necessary funds to foment a rebellion. Zen Buddhism, with its emphasis on the aesthetic discipline of poverty, appealed to the impoverished samurai. Buddhism can be linked to the traditional Japanese tendency toward austerity, self-discipline, and dislike of ostentation, as well as to the belief in contemplation and silence as essential prerequisites in the development of the human character." Zimmerman clearly thinks that simplicity and contemplation are typical attributes of Japanese leaders. This is the second stereotype.

Zimmerman's third stereotype is that Japanese have a Confucian respect for old age as most Japanese leaders are



Keidanren, often referred to as the pinnacle of Japan's business world. Having a huge influence in the management of domestic policies, the association also has a hand in proposals pertaining to trade friction and other global issues. The current chairman is Hiraiwa Gaishi, chairman of Tokyo Electric Power.



considerably older than their Western counterparts. "The Confucian layer of the Japanese psych is the basis for the great respect that Japanese have for elders, a respect that may culminate in the virtual worship of the company chairman or president if he is the type who is in the mold of a Confucian elder. I remember the awe and veneration that the employees and executives of the Green Cross Corporation, an Osaka-based Japanese pharmaceutical company, had for their late chairman, Naito Ryoichi, a selfless and dedicated man who epitomized the Confucian tradition. At this point, so soon after his death in 1982, I have yet to hear him being referred to in the reverential tones that, let's say, a Mitsubishi man would use to refer to the founder of the Mitsubishi empire, or a Mitsui man would refer to the founders of Mitsui, but it would not surprise me to see Dr. Naito venerated in the future in much the same way."

This is all very interesting, until you consider that not all older people (or silver citizens) are leaders; that not all Japanese who are acknowledged as leaders are slaves of consensus; and that not all are simple in their tastes (at least while they are in the West), even if most are indeed more contemplative. Zimmerman, then, though doing a lot of explaining, fails to explain Japanese leadership at all.

Dr. Stephanie Jones in her excellent book, *Working for the Japanese*, tries to typify Japanese leadership in the following manner: "In Japan, a good leader has a magnanimous embracingness," while the American leader will be forgiven for his abrasiveness if he is nonetheless fair. In Japan, "The greatest possible drawbacks in a leader are timidity, inconsistency, irresoluteness and vacillation," while in the States "A bad leader does not understand or communicate with his subordinate nor does he delegate authority." In short, the American emphasis is on performance traits, the Japanese on personality traits.

This sounds good until one examines it: Surely it is the Japanese who have produced better results in the last 50

years, and surely it is the Americans who have the greater personalities?

The reality is that Japanese leaders (like American leaders) are incredibly varied, depending on their personalities, on whether they are leaders of owner-managed firms or older-established firms, as well as on their perceptions of what is appropriate or needed. In politics alone, Tanaka Kakuei and Nakasone Yasuhiro have towering personalities, while nonentities such as Miki and Ohira have also existed.

A. M. Whitehill is one observer who, in his book *Japanese Management*, succeeds in putting forward a framework and pattern which caters to the diversity among Japanese leaders. "Changing times necessitate changing the style of leadership ... this may explain the shifting nature of the leadership style in Japanese companies during the past several decades ... in 1968 it seemed entirely correct to say that a common approach in Japan was to assign a 'rather passive role' to leadership—to conceive of a leader as primarily a 'facilitator' of his group's achievements. But that early postwar pattern of leadership in Japan has experienced substantial modification, though many unique leadership traits remain."

The founder of Honda Motor company is supposed to have made the observation that, "Japanese and American management are 95% the same, yet differ in all important respects."

Comparison of leadership styles

Comparisons between Japanese and American styles of leadership can end up being favorable to either country, but my own view is that they work out mostly in favor of Japan. However, there are also several questions about Japanese leadership. The first of these is technical literacy versus communication illiteracy. Japanese leaders have come up through the ranks and usually understand the business very well indeed.

Naturally, they have little difficulty in trying to communicate with other Japanese. But the great difficulty Japan has in understanding, and being understood by, other nations may indicate a shortage of broadly literate leaders essential to assure for Japan a permanent and responsible role in the international community of nations.

Secondly, socialization into the corporate culture is an important and continuing process in the overall development of Japan's future business leaders. On the job experience and an internal program of management development results in well-adjusted and totally integrated company men with a single-minded devotion and loyalty to the organization, which is often likened to the U.S. Marine Corps. This highlights the danger of group-think, which is defined as the tendency, especially in strong groups, of becoming unable, at first, to express fundamentally dissenting views and later, regularly invite consultants to run "frame-breaking sessions," whose whole purpose is to enable people to think differently, more creatively, and allow expression of dissenting views.

Thirdly, the particular kinds of changes required in Japanese organizations at present and in the future may be more difficult and painful than any they have been through in the last hundred years. Though leaders of Japanese *kaisha* have demonstrated remarkable flexibility in the face of uncertain environments, for example during the '80s, the relative gradualism of the past will no longer be enough to ensure a company's survival. Without radical decisions, such as placing more emphasis on each individual's contribution to corporate goals and giving less credit for mere length of service, it is difficult to see from where new sources of profitability will emerge. For the future, there seems to be no alternative to giving less credit for mere length of service. Identifying and grafting valid, reliable systems for evaluating individual contributions are a real test for Japanese leaders at present.

The reasons for Japan's economic success have been at least five: an emphasis on and achievement of ever-higher pro-

ductivity, rapidity of new product development, suggestion systems, total quality control, and Japan's integrated management system which brings together the interests of management, employees and unions. Share-holders have traditionally benefited least from the system, and there must be real concern now about how to keep them satisfied. In any case, these factors were a sound basis for growth in the past but we are now living for the first time in a world of glut. Such production-related factors alone will not insure the future of any organization, when it is no longer enough to "get the best for the least." Japanese leaders have not yet faced up to this challenge, as far as I am aware. Related to this is the observation made by William Ouchi in his book *Theory Z* (1981) that the Japanese do not specialize only in a technical field; they also specialize in an organization, in learning how to make a specific, unique business operate as well as it possibly can. This must make it more difficult to see when it is necessary to "let go" of a particular definition of a business, in order to develop a new definition.

My main criticism of Japanese leadership is that it is the product of a system which allows individuals who have built up impressive records of accomplishment through the years, perhaps becoming board chairmen, but then being able to assure the mere role of roving ambassador of goodwill for the company. This is most pleasant for them and for the company, I am sure, but is it best for the country?

Here are some of the tasks which eminent and experienced senior leaders ought to be addressing: Japan has yet to demonstrate that it can deal with foreign pressure in an assertive way. This problem is not helped by the country's bias for courtesy, restraint, and avoidance of personal confrontation. The most public illustration of this was Mr. Morita's reaction to the storm about his reputed comments in Ishihara's book, *The Japan That Can Say No* (Knopf, USA, 1989). Nor has Japan yet demonstrated that it knows how to deal with a world where there is an increasing tendency towards protectionism.

Yet there are even wider and deeper challenges which Japan needs to face. The writer K. Kasuya addressed the question in this manner in his article "The Showa Era" in the *Nihon Keizai Shimbun*: "To ensure that the success of the past 40 years is not squandered away in the next 40, we must reinvigorate the country's institutions to promote and maintain a dynamic society." The political system is being tackled, however haltingly. But limited room for 122 million people will continue to plague Japan with population pressure and stress. And then the praiseworthy Japanese educational system badly needs to be reformed to meet changing conditions and needs. Specifically, the police and judicial systems need to be overhauled in view of the increasing number of foreign workers and immigrants in Japan.

A few senior leaders have taken on wider responsibilities. One thinks of Ambassador Kitamura in Britain, and Toshiba's Saba Shoichi, who have done so much to win respect and affection from foreign industrialists and governments. Most of all, I think of Doko Toshio, who led the Keidanren from 1974 to 1980. His personal frugality, business acumen and most outstanding his work as head of the First Committee on Administrative Reform and later as head of the Extraordinary Commission on Administrative Reform, meant that he did as much for his country as any leader in the rest of the world.

Is there such a thing as Japanese leadership? There is, it is alive and well, and needs to be known outside Japan. If Nihonjin are uneasy about making a song and dance about living leaders, why not promote the work of people who did excellent work in leading business and society in the past?

Prabhu Gupta is chairman of ADVANCE: Management Training Ltd. (U.K.) and specializes in helping companies with issues of globalization and organization transformation. He is a Fellow of the Institute of Directors as well as of the Royal Commonwealth Society, and is included in Debrett's People of Today (U.K., 1993).