

Japan at Work

By Robert J. Ballon

In the previous issue of the *Journal*, we described how Japan survives; ultimately, such survival results from Japan at work. The long working hours of the Japanese are well known. And to surmise that they are working hard. ... In the mind of Westerners lingers what they read on the first page of the Bible: Man condemned to work as punishment for original sin. (Since nobody enjoys to be punished, no wonder work is drudgery and employee work motivation a constant concern!)

Not having read the Bible, the Japanese take the practical view that work is a necessity—like it is for farmers who see work determined by the local environment. For them, work motivation is not found in the work itself (to be motivated by necessity is playing with words; you do it, that's all), but in the work environment. To be employed is important, but realistically not as much as where one is employed. In fact, the Japanese introduce themselves not by what they do (occupation or profession), but by where they work. For them, the major implication of the workplace is its size, large or small, a dividing line that most statistics draw at a work force of 300, usually full-time.

Ninety-nine percent of the 6.5 million establishments are found in the "small and medium firm" (SMEs) sector; in 1992, they provided livelihood to almost 90% of Japan's private labor force. Included are the self-employed (8.5 million, of whom 2.3 million are female), with less than one-fifth of those in this category hiring employees; family workers (4.5 million, of whom 3.7 million are female), their number is steadily decreasing and can mostly be found in individual proprietorships where their work compensation is not a matter of wages but a pre-tax business expense; and employees (if the above two categories are included, 48 million, of whom less than 20 million are female, and 5 million temporary or part-

time), half of the establishments do not hire full-time employees.

According to the latest Establishment Census (1991, every five years), of 6.5 million private establishments, less than 10,000 are considered large firms with a total labor force of 6.6 million.

Small firms, large firms

In a 1991 survey by the Small and Medium Enterprise Agency, employees of SMEs praised them for: family-like atmosphere (multiple answers: 27.4%), being the core of the local economy (34.6%), and offering opportunities for entrepreneurship (21.9%). Notwithstanding the economic downturn of the early 1990s, SMEs had considerably more openings for experienced workers than did large companies.

The smaller the size of the firm, the greater the age of its workers and the proportion of female employees, and the greater their mobility. Working conditions, of course, do not match those of large companies. However, graded complementarity between large and small firms, as seen in subcontracting, if not also in distribution, modifies the gap without eliminating it. Namely, employment practices of the large firms to a significant degree are a norm that smaller firms try with government support to emulate to all possible extents, such as employee welfare programs (dormitories, resorts, housing loans, etc.) sponsored by SME associations, and neighborhood associations contributing to improved working conditions and training.

It is the regular employees of large firms that the controversial notion of "lifetime" employment would apply to (employment immediately upon school graduation, continued until the mandatory age limit of about 60, and compensation and promotion based on a combination of performance and length of service). It amounts to a norm of stable employment that postwar enterprise unionism (one company, one union)

strongly contributed to institutionalize. This norm is actual practice for not more than 15 million employees: the 12.5 million organized workers, including 3.5 million public employees, and 2 million or so managerial staff.

In large firms, regular employees are core employees, colloquially called *sha-in* (corporate members), a term covering managers as well.

This core work force is relatively homogeneous and embodies a steady accumulation of firm-specific human capital. "Class" consciousness does not divide them; egalitarian practices mark the work environment. In the factory, workers, engineers, and managers wear the same work uniform. In the office, the open-room system makes for constant participation by everybody in everything that goes on in the room and beyond. Superiors and subordinates eat the same menu in common canteens. All except directors come under the same salary system.

This relative homogeneity of the core work force makes the enterprise a very proactive social organization. The values at work are highly emotional, as manifested in company outings, drinking comradeship and active after-hours (*tsuki-ai*), etc. Company resorts, sports facilities, hobby contests, etc. cultivate what some observers have called "skinship." It all creates a strong corporate culture (the where of industrial identification).

In the 1970s and 1980s, production workers were the prime objective of human resource development. A Japanese expert coined the term "white-collarization" of the blue-collar work force, meaning the constant upgrading of their multifaceted skills and participation in shop floor management. Production workers are not only trained in the operational skills required by routine tasks; they are trained in the capacity to adapt to changing tasks and contingencies.

Office clerks, if not also technical

staff, and managers, increasingly university graduates, are on a continuum that the Japanese nickname "the promotion escalator." The role of managers manifests eloquently the organic nature of the corporate organization. Rules and procedures exist, but they do not "make" the organization; what makes it is the dynamic symbiosis among core employees and their activities. The Japanese manager is not an exalted decision maker; he is the coordinator of the very activities through which the organization actually survives. In practice, the difference is not necessarily efficiency but effectiveness, not results but process.

For technicians and engineers, group creativity is the paramount concern. The purpose of rotation among company-centered assignments and learning in a multi-disciplinary environment is technology fusion; the creation of new technological paradigms out of combinations of established disciplines. Japanese industry attempts to equip its technical personnel with the widest possible spectrum of skills precisely in order to generate group creativity. Engineers, in a fashion similar to the overall suggestion system, are strongly encouraged, even through periodic quotas for each section in the laboratories, to file patent applications, whether approved or not. Much treasured is the indigenous version of a science or technology academic doctorate: a dissertation submitted in the middle of a highly productive career.

Changing work environments

The norm of employment just described is not traditional; it originated and evolved in reaction to the rapidly changing circumstances of the Japanese economy, while constantly capitalizing on deeply rooted values. It appears preposterous here to speak of personnel administration; the work environment loses much of its economic attire to lay bare the social values at the root of the employment norm. Even more explicitly than in large enterprises, the matter is not human resource management, but

human resource development.

To this day, the core work force in large firms remains largely an all-male affair; full-time working women tend to be treated marginally, except where their innate capacities makes a difference, for example, at large retailers where customers are mainly female, and in the electric appliance industry, where products are mainly used by women, or where their manual skills are required. Thus, demand for female labor has increased recently in the wholesale/retail and service industries, especially in the financial sector.

A particular problem that surfaced in the 1980s is the career woman, stereotyped by the mass media as a university graduate, passed marriageable age (traditionally before 25), who competes with men in a technical or managerial career. In the professional and technical category, between 1960 and 1990, female participation increased from 33.3% to 42.6%; in the managers and officials category, amounting now to 1% of the labor force, female participation increased from 2.5% to 7.7% (from 50,000 to 210,000) (Statistics Bureau 1993). Notwithstanding the Equal Employment Opportunity Law (1985), however, it remains that large numbers of women either continue their marginal role in regular employment or work on a casual basis for lower wages (with the benefit of flexible hours and closer location).

Equally significant then is the peripheral labor force. Ever since the institutionalization of stable employment for a core work force in the 1950s, such commitment by large enterprises has been conditioned by the presence of a peripheral work force composed of temporary (part-time) workers. According to the Special Labor Force Survey (February 1993), 79.2% of the employees were regular (90.6% male and 61.5% female) and 20.8% non-regular (9.4% male and 38.5% female). In fact, to be expendable is the basic condition of the temporary labor contract.

A new development appeared in the 1980s: foreign labor attracted by Japan's high wages and the yen's increasing exchange rate. It was esti-

mated in 1992 that at least 300,000 illegal immigrants, mostly from Asia, were at work in SMEs; women in the entertainment industry and men increasingly in construction and factory work where the labor shortage is acute. In 1990, the Immigration Law was amended to allow anyone of Japanese descent, down to the third generation, to enter the country and work; thus 150,000 from Latin America were allowed in the first year. Meanwhile, there is a flurry of official and private proposals addressing the problem, most looking for some formula under a work-and-training label.

Once more, reasons are given for the impending doom of the traditional (?) norm of employment. The 50% jump in the value of the yen (1985) and subsequent appreciations have made Japan a high-wage economy, forcing a re-evaluation of its international competitiveness and propelling transfer of operations overseas. On the other hand, large firms worry about a growing shortage of potential sha-in, not of older employees but of the younger ones, in particular new graduates. The crux of the problem is the increase of the core work force's average age. For example, in the five major iron and steel companies, the average age climbed from 37.3 to 41.4 years between 1980 and 1991; and in the 10 major automobile companies from 34.5 to 37.0 years.

All these developments are crucial, but to this writer the doom prophecy is questionable for no other reason than that he has heard it at every postwar downturn (1964-65, 1973-74, 1978-79, 1985-86, 1991-93). The norm elaborated itself through adaptation to these vicissitudes; alive and well, it will continue to change. The Japanese are not about to "throw out the baby with the bath water."

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