SOCIAL RELATIONS IN A JAPANESE COMPANY

by

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Abstract

This thesis is an account of social relations in a medium sized, but rapidly growing Japanese corrugated paperboard manufacturer. The main determinants of these relations are, it is suggested, the isolation of the directors and employees of the company from people in other companies and from local communities; the state of the labour market, and its effect on the prospects of those within the company of finding equally good jobs in other firms; and the nature of the organization of the company.

The fact of the company's isolation is established by considering the relations of those within the company with other parts of Japanese society. It is suggested that a corollary of this isolation is the development of a strong sense of community within the company.

The peculiarities of the Japanese labour market are explained and its consequences for recruitment and resignation from the company are considered. It is shown that for reasons which might be described as cultural the company recruits new workers in an extremely uneconomic manner. It is proposed that, partly as a result of this, there are two categories of workers within the company: those who can leave it without difficulty and those who can not. Differences of opinion and behaviour between the members of these two categories are described.

The distinctive feature of company organization is shown to be an all-embracing system of grades and ranks, up which company members pass semi-automatically as they grow older - this in spite of the widespread acceptance of an ideal of meritocracy among employees. It is shown how relations between labour and management, among others, are affected by this form of organization.

It is suggested that future changes in social relations in Japanese industry will be caused by increasingly severe labour shortage, and also perhaps, by changes in public attitudes to industry.

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INTRODUCTION

The aim of this thesis is to provide an account of the behaviour of the people working in a medium-sized Japanese industrial company and to discuss how their social relations were determined by the history and nature of their company, the labour market and the organization of Japanese industry.

a. The company as a subject for anthropological study

Two qualities made the Japanese company a suitable and even a promising study for research by participant observation: its importance in Japanese life and its isolation both from other companies and from other sections of society.

The power and influence of Japanese companies are indisputable. As in other capitalist countries, in Japan companies have drawn into their employ the greater part of the labour force. Since the war workers have been leaving agriculture and forestry for manufacturing industry, so that by 1970, 65% of the commercial and industrial labour force consisted of company employees. (Nihon Kokusei Zue, 1971, p 100). Because Japan has relatively few state corporations, private companies are by far the largest creators of wealth. They are also, however, the greatest spenders. In recent years Japanese industrial investment has proceeded at a much higher rate than in western European countries, but the rate of government spending has been very much lower - only a third of that in West Germany, for example (Economic White Paper, 1969, pp 50-6; 226-258). In 1970, when the Gross National Product of Japan was 73,240 milliard yen, industrial investment was 15,450 milliard yen, but the general government budget was only 7,590 milliard yen.

Government spending has been so low that in Japan there is a great lack of public works and welfare amenities. Some of the deficiencies have been made good, however, by the activities of private industry; for many, if not most large companies provide cheap housing and medical care for their employees. Companies, therefore, have taken on functions that in Europe, at least, are under the control of local and national governments.

The unrivalled wealth of companies has given them great political significance. Large companies are active but discreet supporters of political factions (Yanaga, 1968, p 78-87), and they have had some success in buying government policies favourable to themselves. Certainly, the co-operation between the Japanese civil service and private industry, made particularly close by the affiliations of the ruling party with business, has caused envy and resentment abroad - though it has to be remembered that there are many countries where business and government are associated, if not quite as extensively as in Japan.

This demographic, economic, and political importance of companies has enabled them to exert considerable influence over the formation of opinion and the choice of priorities and values in Japanese society. The many people working in companies, subject every day to company discipline, are naturally those most liable to be exposed to the ideas overtly proposed by companies or implicit in company organization and practice. I found in the course of my own fieldwork, for example, that most employees in the firm I studied, including those who disliked the company and could have been counted as dissident, acknowledged the need for industrial growth, even while recognizing that it was being gained at least partly at their expense.

Companies are also anxious to persuade even those who have only indirect connections with industry of the value of the work they do and the worth of their contribution to society. All day long on Japanese television, there appear advertisements for steel companies, heavy machinery manufacturers, chemical concerns, and other enterprises whose services are not available directly to the public, in which the company is presented as a minister to the nation and to the world, a conserver of air and foliage, a guardian of children and young lovers, and a guarantor of a fuller life in the future.

The companies have not been wasting their words. On the contrary, until recently at least, their audience has been most willing to listen. It is difficult to express or convey the depth of interest Japanese appear to have in the two processes in which companies are most concerned: technical development and economic growth - though not all this interest has been generated by company propaganda. Browse in a Japanese bookshop, and it will be easy enough to find technical and trade magazines in enormous variety. Periodicals devoted to hotel management, petrochemicals and plastics, or specialised applications of electronics, most of which would, in Britain at least, be discreetly distributed to subscribers only, cover the stands and seem to attract buyers from the general public.

The pre-eminence of economics among the arts is made very plain. A good deal of the floor space will be given over to books on the pure and applied branches of the subject, and there will be an abundance of titles referring to the economics of Japanese development, the difficulties of small and medium-sized companies, and the invasion of foreign capital. There will be a great many more books on practical matters like business administration and accountancy, as well as several magazines on these subjects. Even in the children's section there will be books, written

in the simple syllabaries and decorated with pictures, filled with graphs showing how well Japan compares with other countries in the output of synthetic fibres and steel.

There are other, less direct ways, in which the values held by companies and their managements come to be imposed on the national community. To become an employee of a big company has long been an ideal for school leavers and new graduates. 'Salary men', as they are called, are known to have financial security; and since service to a company is assimilated to service to society, the employee's job is considered worthwhile. Until the last few years there was a considerable labour surplus - even now there is no very acute shortage of new university graduates - and companies have been able to restrict recruitment of graduates to those from the 'best' universities. Major banks, for example, have only taken on men from four or five universities, most of them national, rather than private institutions. Getting into the right university naturally becomes extremely important, and competition for university entrance has been intense. Owing to the peculiarities of the secondary school system, certain high schools have been far more successful than others at sending schoolchildren to the great universities, and competition to get into these schools has become more severe in turn (Dore, 1958, p 206). The education system is therefore what Japanese call an 'examination hell', in which not only the children themselves but entire families, and especially the mothers, are engulfed (Vogel, 1963, p 40ff; OECD p 87 ff).

There is, of course, no rigorous method of comparing the influence of Japanese companies over Japanese life with that of companies in other countries over society in those countries. In other countries, too, there is institutional advertising, and other educational systems besides

the Japanese reflect the prejudices of industrial managers. It should also be said that there exist in Japan, as elsewhere, institutions propagating values opposed to those of private industry; and there is a possibility that these institutions will grow more powerful in the future in Japan. Nevertheless, it would be hard to think of a land in which the company has achieved greater social and cultural significance, or is a more obvious subject for sociological study.

Now it is usually the case that the important institutions of industrial societies are not easily amenable to study by a single observer. The techniques of participant observation has been practised in simple societies in which people live in small and largely self-sufficient communities. The anthropologist who enters such a community has little difficulty in setting bounds to his work. In most complex industrial societies, however, people live part of their lives in each of a number of relatively specialised institutions, - the family, the office, the club, and so on. The anthropologist studying these institutions, if he wishes to provide explanation of the activities of those involved in them, may have to continue his research far beyond its original limits, to whatever extent is allowed by time and his specialist knowledge of different disciplines.

This problem of limiting the scope and area of study, though present, is much less acute for an anthropologist working in Japan than in other industrial societies. There is a sense in which Japan is 'an open society made up of closed groups', as Scalapino and Masumi (1962) have remarked in another context. For a number of reasons Japanese companies form particularly discreet and isolated social entities.

Japanese, more than westerners, tend to stay with one company and not to move from employer to employer. Firms - especially large firms - like to recruit their workers straight from school or college, in the expectation that they will remain with their first employer until retirement. In fact, even in large firms, where 'life employment' is best established, a considerable proportion of recruits taken in from school do leave their first employer. Conversely, even large firms do take in people from other companies, in spite of certain prejudices against the practice. As I shall explain in the first chapter, smaller companies are less able to offer employees security of tenure, and the leaving rate in smaller companies is higher than in large. Nevertheless, movement between companies is much less in Japan than in the United States; and in consequence the employees of one company, who stay together for many years at a time, tend to have little knowledge of their counterparts in others.

The isolation of the membership of a Japanese company from other sections of industrial society is increased by the weakness or even absence of certain important institutions that unite managers and workers in different companies in the west. On company boards, for example, there are few outside directors. Instead, directors are usually appointed from among the employees of a company, and they continue to hold management positions after being appointed. (Subsidiary companies, however, may well have directors seconded from their parent firms.) Again, there is a lack in Japan, of technical or professional institutes serving the common interests of similar types of specialist working for different employers. An engineer, say, who is working for one great company, is not only unlikely to move to another, but may not even meet or communicate with his counterparts in other firms. Finally, though unions exist in Japan, the majority are 'enterprise unions', which confine

their membership to the employees of a single company. Some of these enterprise unions belong to associations or union congresses, but for the individual union member, those in other unions remain remote.

Just as the workers of one company have little to do with members of other companies,* so they are also isolated from the local communities in which their companies are located. Many companies provide housing for their employees on company estates; for these employees the local community and the company are almost the same thing. In any case, employees work long hours, and have little time to meet their neighbours - a pleasure they leave to their wives. Above all, company workers are expected to participate in the social life of the company they work in, to spend their leisure with their work-mates rather than go home and distract themselves in a world outside the company.

In the course of this thesis I shall show how the members of the company I studied were forced by their isolation from the rest of society (an isolation which was to some degree self--imposed) into a particularly intense and consequently rather strained association with each other. For the moment, however, my argument is simply that because of the isolation of Japanese companies, the anthropologist studying one has less difficulty than he might have elsewhere in establishing the limits of his study.

This, then, is the attraction of the Japanese company for the participant observer: that it stands at the centre of a modern society, and yet is parochial enough (cf Nakane, 1970, p 121) for one man to attempt to comprehend it.

* I shall frequently refer to 'company members' in this thesis; by the phrase I mean, not 'company members' in the legal sense of 'shareholders' but 'directors and employees'.

In spite of these attractions, however, the Japanese company has scarcely been studied by direct observation. In 1949, Nakano observed a union election in a small casting factory, and his account of it (Nakano, 1952) testifies to the value of his method. Just after the war, unions sprang up in thousands of Japanese companies with the encouragement of the occupation authorities. Nakano showed how the political factions in the newly formed union in the factory he was studying were developments of the pre-war apprentice system. Some of the older workers had, under the apprentice system, been apprentice masters, and they were able to control the votes of their ex-apprentices in the union elections. The older men did not themselves stand for offices, but lent their support to younger candidates. In 1948 the company decided to cut wages, and the union, controlled as it was by older workers, appeared to acquiesce. In disgust at this some of the younger union members put up their own candidate against the incumbent union leader, who was sponsored by the older men, but failed to dislodge him.

After Nakamo's publication, however, little similar work seems to have been done on companies. I was only able to find Yoneyama's (1960) 'Diagnosis of a factory' and 'Case Study of a Miso Manufacturing Plant'. Both were based on very short periods of observation, amounting to only a few days, and the first of them, as the title implies, was not an objective enquiry but a clinical examination. But even in his short stay with the Miso (Bean curd) factory, Yoneyama discovered matters that would kindle an anthropologist's interest. He reported (p204) on the ambivalent position of the foreman, dispirited by the decline of the company to the point where he is unable to do his job, and at the same time suspected by the younger workers of siding with the management in various disputes. Just as in Nakano's casting factory, there was a

mutual distrust between young and old. And labour-management relations in the Miso plant were perhaps unusual. The union demanded a bonus; the president of the company, the son of the founder and rather less popular than his father, offered one of 30%. The union first accepted this, judging that it was all that the company could afford, but later, after the agreement, demanded 40% out of 'revenge' because they felt distrustful of the boss.

It was not until after I had returned from the field that there appeared in print any major work describing direct study by observation of a Japanese factory, and then it was written by an American, Robert Cole.* Cole worked in two factories of a diecast company, one situated in inner Tokyo and the other in the suburbs. The Tokyo factory, where the workers were older men, was characterized by poor labour relations, considerable political activity, and economic decline; the surburban plant, manned by young country boys, had a docile trade union, and was more modern, so that there were no fears of its closure; though the company as a whole was not growing very fast. Cole also spent a month in a car components factory situated three hours away from Tokyo by train.

Cole's book is valuable not only because it is the first of its kind, but also because he concentrated upon shop floor workers. Like managers in other countries, Japanese managers are easier for researchers to meet, and more articulate, than the men they manage; and as, in addition Japanese managers have something close to a coherent social philosophy, their views and self-perceptions have greatly influenced academic

* Cole himself (1971, p 42) comments on the lack of studies by participant observation, and goes on to say that as a foreigner he was looked on more tolerantly by the members of the companies he worked in than a Japanese participant observer would have been. (p44). I, too, had a strong impression of the value of being a complete outsider in the community I studied.

discussion of factory and company organization. Cole's worm's eye view comes as a corrective. His experiences in three separate factories show how very different communities can exist within Japanese industry, even within the same company, and warns against too much generalizing.

I shall not attempt to outline the results of Cole's work here, for I shall mention often enough in the course of this thesis those of his observations that relate to my own. The nature of the company he studied was rather different from mine, and its personnel policies appear to have been different, too, for it would not have been easy to identify, in the company I joined, the separate category of his blue collar workers that Cole makes the main subject of his book. But there were, of course, some features common to Cole's diecast company and Marumaru, as I shall call the corrugated board producer that is the subject of this thesis. The complaisant union of his surburban factory, for example, had many affinities with the Marumaru union.

b. <u>The plan of the thesis</u>

I shall begin my own account of a Japanese company with a brief survey, in the first chapter, of Japanese industrial organization and social relations in Japanese industry. Japanese have a sociological self-awareness not found among people in Britain or America, and they are fond of emphasizing the peculiarity of their institutions (cf Cole, 1971, p11). But what is thought to happen by, for example, managers whose views are influenced by their conceptions of an ideal state, is not always quite the same as what actually does happen. For many years managers have spoken of their companies as industrial families, and western observers like Abbeglen (1958, p 99) and Ballon (1969, p 65), and also Japanese anthropologists like Nakane (1970, p 19) and Totoki (1966, p 198) have been influenced by this management ideology to compare companies and families. The comparison certainly has some validity, but there are

a great many features of social life in companies which are far from family-like.

Cole's work confirmed that in Japanese industry, just as in the west, there were different types of social relations in different firms and factories. The behaviour of company workers will depend on the particular industry the company is in, the traditions of that industry, the degree of competition within it, its relations with other industries and with society outside industry. Within any industry there will be a variety of companies of different sizes and geographical locations, all with their own histories, prospects and policies.

After having described the general background to my study, therefore, I shall go on to discuss the industry and the company I worked in. I have already remarked on the social isolation of Japanese companies; I shall be emphasizing how completely the employees of Marumaru were indeed cut off from other parts of society. One of the principal themes of this thesis is that the employee's isolation in a small company community was a major determinant of their social relations.

I shall end this second chapter with a description of myself and my place in the company. It goes without saying that what a man sees depends on his training, and his experience; but it depends also on his viewpoint. If he is observing a community from within, he is likely to be assigned to one or other part of it. He can only hope that the position he is accorded allows him to collect information freely and without too much bias. An anthropologist who is associated too closely with the management of a company, or with the senior members of its union may find himself at a disadvantage when he tries to make friends among, say, lower paid workers. The researcher has always to think of the nature and the appearance of his relations with each of his informants in order to find out what he is learning and what he may be failing to learn.

In the third chapter, on 'The Community and the Labour Market', I shall recount some of the features, besides its isolation, that made the company a community. I shall next explain now people joined this company community, and how they left it.

In discussing recruitment and resignation from Marumaru, I shall be introducing another of the main themes of this thesis: that the behaviour of company employees at Marumaru was influenced by whether or not they were in a position to leave the company at little cost to themselves, and this in turn depended on their position in the labour market. To begin this I shall be explaining how employees were either mobile, liable to leave in large numbers, or immobile, and therefore attached actively or passively to the firm.

I will move on, in the fourth chapter, to examine the principles of organization at Marumaru. A complete analysis of the organization of Marumaru could only be attempted with confidence by an experienced manager with a good knowledge of the particular industry, corrugated fibreboard production, in which Marumaru was engaged. In this chapter, therefore, I shall restrict myself to the most general of views. I will be trying to explain how status was fixed and responsibility delegated; for the organization of status was a second major determinant, besides the labour market, of social relations at Marumaru, while the lack of delegation of responsibility influenced the way in which disputes between the union and management were handled.

Pay and rewards, the subjects of the fifth chapter, were closely related to official status at Marumaru; my examination of the pay system will be in some ways a continuation of an enquiry begin in the previous chapter. Pay was at the same time a major issue in relations between company and employee, and between management and union, and I shall be emphasizing those features of the pay system which particularly affected the attitudes of individual employees towards the company, and were the subjects of union policy.

The sixth chapter will deal with relations between company and employee and among employees themselves. In it I hope to show how mobile employees, those would could easily leave the company, treated the company and each other rather differently from immobile employees, whose value on the labour market was low enough to deter them from thoughts of leaving Marumaru. We shall see how the mobile employees, most of them young people without university training, were able to think of themselves as being merely under contract to the company, exchanging their labour for its wages. The immobile employees, on the other hand, tied if not committed to the company, were necessarily much more deeply involved with it. Some of the immobile employees, despite their long service and genuine loyalty to Marumaru were at the same time aware of what they considered to be its exploitation or misuse of their services. Again, we shall see how the mobile employees were in a position to deal frankly with each other, while the immobile employees, who could expect to spend two or three decades in each other's company, had to be circumspect and even devious with each other.

In the seventh chapter I shall describe the internal organization of the union at Marumaru. The union, like most others in Japan, had its membership confined to a single company, and appeared to be a typical enterprise union. I will explain how under the union rules union policy was decided by the three most senior union officials; and how they, and indeed most of the union leaders below them, were immobile employees, tied to the company and very loyal to it, even though many of the union members were mobile employees, more demanding of the company and less ready to sympathise with the management's point of view. I shall then turn to consider how this union dealt with the management. I shall show, in the course of two case studies, how mutual sympathy and common interest existed between the union leadership and the middle management, for both the union leaders and

the middle managers were treated by the company in the same way, and union leaders were close associates of middle managers in the normal course of work. I hope to explain how the loose alliance between union leadership and middle management could be used by the union to gain its ends.

Finally, in the conclusion, I shall review the main themes of the thesis: the effects on social relations at Marumaru of its social isolation, its internal organization and of the labour market.

CHAPTER I. THE ORGANIZATION OF JAPANESE INDUSTRY AND ITS SOCIAL CONSEQUENCES

a. Companies and Unions

Japanese industry is under the control of joint stock limited liability companies of similar constitution to those of Britain or the United States. The companies are owned by shareholders, whose interests are legally represented by a board of directors; and the companies, legal corporations, employ numbers of workers, some of whom manage the business.

In spite of the formal similarities, however, there are practical differences between the organization of Japanese and that of western, or at least British or American industry. Companies, for example, are run less on equity capital, raised in stock markets, than on bank loans; as much as ninety percent of the working capital of companies can come from banks.

It follows from this that the relationship between shareholders and companies can be rather different from that in Britain. Shareholdings can be symbols of partnership and common trading interest rather than measures of ownership or ultimate control. Shareholders are frequently banks and associated companies; the banks' interest being to lend to the companies in which they hold a few percent of the equity, the associated companies being customers or suppliers. I give below details of the major shareholders in TDK Electronics, a manufacturer and exporter of ferrite cores used in colour television sets.

Shareholder	% of Equity
Matsushita Electrical Ind.	5.9%
Saitama Bank	4.2
Industrial Bank of Japan	3.2
Mitsubishi Trust Bank	3.0
(The Company President	2.9)
Chūo Trust Bank	2.4
Tokyo Marine & Fire Insurance	2.3
Nippon Electrical Company	2.0
Mitsui Trust Bank	1.9
Tōyō Trust Bank	1.7

(Diamond Company Directory, March, 1972, p 797)

The two large electrical companies in this list are both important customers for TDK products, and Saitama Bank, the financial institution with the largest shareholding, is given as the biggest lender to the company. It should be noted, however, that TDK sells its goods to other electrical companies, and borrows from other banks than those with large shareholdings.

I said in the Introduction, that in Japan company directors were usually appointed from among the employees of a company, and continued to hold management positions while sitting on the board. The basis of the distinction between manager and director in British industry is the responsibility of the latter for shareholders' interests in a company. The major shareholders in Japanese companies, however, the banks, are able to influence company policy simply by supplying or denying loans, and therefore do not need the protection of outside directors.

It would be hard to say whether the absence of such outside directors adversely affects the efficiency of Japanese companies. It may be, for example, that outside directors bring to a company new and possibly useful forms of experience not to be acquired in the company's service, and so are able to prevent a company's becoming too attached to familiar, but possibly harmful practices. But the social effects of their absence in Japanese companies are that the companies' connections with the outside world are more restricted than in the west; and what connections there are tend to be not personal but institutional.

Undoubtably the most important consequence of financing by bank loans instead of share capital has been the division in Japanese industry between large and small enterprises; and this division has had profound social implications.

Until recently money was tight in Japan, and the banks restricted their loans to bigger and therefore safer companies. Since most export companies were large, the especially favourable terms of credit offered to exporters also benefited big companies more than others. Small

companies, on the other hand, were starved of capital.

Their access to bank funds, together with various forms of government aid, gave larger companies a commanding position in the economy. Throughout the 1950's and 1960's companies grew in proportion to their size, the largest expanding fastest:

Table I.1

Scale of co. (employees)	Value added; '000 million yen 1955	1961	% increase
4-9	109	215	97%
10-29	292	737	152
30-99	344	1010	194
100-299	341	1019	199
300-999	440	1283	192
1000-	574	2329	306

(from Broadbridge, 1966, p 59)

At the same time, large firms were using relatively fewer people than small firms to produce - the increase in output.*

Table I.2

Scale of co. (employees)	Value added; '000 million yen 1955	1961	% increase
4-9	199	343	72%
10-29	246	439	78
30-99	335	579	73
100-299	481	759	58
300-999	646	1042	61
1000	713	1485	108

(from Broadbridge, 1966, p 62)

* Bieda (1970, p 199-201) in the course of a critique of Broadbridge's ideas on economic dualism, which are paraphrased here, has suggested that it is misleading to express productivity in terms of value added per head, because, among other reasons, large firms with a firm hold on the market, can charge higher prices than small ones. It is not easy, however, to postulate alternative measures of productivity.

Japanese industry therefore came to be comprised of two types of company: large, highly productive enterprises, and smaller, relatively unproductive ones. The difference in productivity was reflected in a difference of wage levels in the two types of firm. The smaller the firm, the lower was the average salary.

Table I.3

Scale of co. (employees)	Average annual wage per worker '000 million yen 1955	1961	% increase
4-9	87	144	66%
10-29	110	189	72
30-99	133	223	68
100-299	165	250	52
300-999	209	299	43
1000-	270	392	45

(from Broadbridge, 1966, p 64)

In the last few years it has become very much easier for small companies to solicit loans, so that the differences in the productivity of large and small firms may well lessen. Meanwhile there has come to be a labour shortage in Japan, so that small firms have had to pay wages nearer the level of those paid by large ones. The table above shows how even in the late nineteen-fifties wages in small firms were increasing faster than in large. Nevertheless 'industrial dualism' persists in Japan, and it remains roughly true that the larger a firm the more efficient it will be, and the better the conditions it can offer its employees.

Generally speaking, small firms survive as the sub-contractors of large ones. Nearly every major industrial company in Japan has a retinue of sub-contractors, engaged in making components for the large company, or marketing its goods. Most of these sub-contractors will employ proportionately less capital for their size, be less productive, and pay lower wages than the large one to which they are contracted. Very commonly the sub-contractors will have sub-contractors of their own,

even less well endowed, and even less generous to their employees. Indeed there may be chains of five or six companies, each dependent on the bigger one above for most, if not all of its business. Some of these companies will be the subsidiaries of the companies they supply; others will be nominally independent.

The smaller companies act as buffers for the larger ones. When economic conditions are poor, the larger companies, called upon to repay their loans to the banks, can recall any money they themselves have advanced to their sub-contractors. At the same time they can cut back on orders to the sub-contractors, electing to do themselves work that had previously been farmed out to smaller companies. The sub-contractors, short of both funds and orders, have to curtail any loans or orders given to their own sub-contractors. The brunt of any recession is borne, therefore, by the smaller companies. (cf Allen, 1965, pp 219-220); Broadbridge, 1966, pp 72-85).

The protective layers of small companies are of particular significance in that they allow large companies to retain employees even when there is little work for them to do. The small companies therefore make possible the policy, favoured by large companies, of taking on recruits straight from schools and universities, and keeping them until retirement. I shall be considering this policy, which naturally has a great influence on the labour market, in further detail in the next section. But the price of the security of the 'life employment' offered by large employers is the insecurity of those working for small firms.

A second service performed by small companies for the large ones is that of taking on retired employees from them. Pay in Japanese companies frequently corresponds with age, older employees being paid more than young ones for doing the same job. It is to some disadvantage to a company to have an older labour force, and larger companies require their employees

to retire at 55. Since the government pension, which is in any case meagre, is only payable at 65, and since few companies offer pensions, retired employees have to find new work. Most large companies have arrangements by which their superannuated employees pass into subsidiaries or sub-contractors. There they work for a few more years at the rather reduced rates of pay of their new employer.

In brief, therefore, Japanese industry consists of large companies, some of international repute, owned by banks and other large companies, each of which has a set of smaller and still smaller companies as its satellites.

This form of organization would be harder to maintain, and indeed might never have arisen, but for the peculiar nature of Japanese labour unions. The most usual type of union in the west is the trade union, which exists to achieve comparable treatment for workers in comparable jobs in different companies. The trade unions would certainly be inimical to the Japanese hierachies of sub-contractors, in which men of similar qualifications and functions receive pay roughly according to the size of their company. In fact, as I mentioned in the introduction, the great majority of Japanese unions are enterprise unions, combinations of workers of various functions or types who work in a single company.*

Historically, enterprise unions date back to the early years after the Second World War, when the Allied Occupation authorities encouraged the formation of workers' associations. Within the space of a few years unions proliferated and union membership grew with considerable rapidity. The enterprise or plant, rather than skill or trade was made the basis for organization simply because it was easier to gather together all the workers in a plant or company than all those of the same trade working in a particular area.**

* Accounts of enterprise unions can be found in Cook, 1966, p28ff; Levine, 1958, p 102ff; Sakurabayashi, 1969, p 228 ff.

** Chang, 1969, p 210 suggests that the communist World Federation of Trade Unions encouraged the formation of enterprise unions because they, more than trade unions, would lead to the creation of management-worker committees and eventual worker control.

For the members of an enterprise union, the trade union goal of 'equal pay for equal work' is not a practical one; for within the same union there will be workers doing different jobs. Instead the aim of the enterprise union is to keep the average wage levels of its members comparable with those paid to the members of similar enterprise unions. The relatively loose alliances that have been formed by enterprise unions have been directed towards this end. Unions in rival companies have joined together in federations and these federations have in turn become members of union centres or congresses. Recently it has become the practice for the union congress to co-ordinate annual wage 'offensives', in which, for example, the unions of private railway companies will act together to achieve a certain wage demand.

By contrast to the co-operation between unions in similar but rival companies, there is rarely any connection between unions in main and sub-contracting companies within the same group of companies,* for such companies, however close their commercial association, are dissimilar in size and pursue different kinds of business. The union of the principal firm will belong to one union federation, the union of the subsidiary to another, or, more usually, to none at all. The organization of the Japanese union movement, and the disposition of the constituent enterprise unions, each characteristically jealous of its autonomy, have not been inconsistent with industrial dualism or the hierachical relations between large and small companies.

The fact that the Japanese labour movement has been unable to prevent many unionists working in extremely poor conditions without adequate wages or security is to the discredit of the enterprise union system.

* One major exception is the Car Workers Federation (Jidōsharōren), an alliance of the enterprise unions of the Nissan Motor Company and its suppliers and sub-contractors. (Cook, 1966, p 73)

Perhaps an even more important defect, from the point of view of the general public, is that the interests of enterprise unions are so closely related to those of the firms to which they are attached that they are unable or reluctant to prevent those firms from undertaking activities which detract from the public good. Where Japanese firms have caused pollution of the environment, by, for example, allowing poisonous effluents from factories to be discharged into rivers, their enterprise unions have taken little or no part in the efforts to make the companies discontinue their practices.*

On the other hand, there are certain obvious advantages both to society at large and to industry in having unions organized according to employers rather than by trades. Since company and union are dependent on each other, both will be disposed to co-operate with each other and provide for each other's success. Enterprise unions are far more receptive than trade unions to productivity schemes, not only because such schemes, in making the company more competitive benefit the enterprise union, but also because there are no problems, in an enterprise union, over trade demarcation. The interest of enterprise unions in increasing efficiency is, however, qualified by a very strong concern that increased efficiency does not lead to the company's dismissing workers. Enterprise unions have generally been fiercely opposed to dismissals; for an enterprise union, unlike a trade union, is unable to offer its members protection once they leave the firm. Finally, since neither the company nor the union can afford to prolong or exacerbate any dispute that does arise, disputes tend to be settled quickly and with little inconvenience to either of the parties or to the country.

* For a comparison of the attitudes taken by trade and enterprise unions towards pollution problems see Shirai, 1971, pp 8-10.

It is perhaps worth remarking here that even though Japanese enterprise unions are different from the established trade unions familiar in the west, they have certain similarities to the Joint Shop Stewards' Committees (JSSC's) that have sprung up in British industry in recent years. These committees consist of shop stewards of the various unions whose members work in a plant or company, their purpose being to represent all workers, regardless of trade, in negotiations with management. Just as enterprise unions invoke comparisons between comparable companies in justifying their activities, JSSC's invoke comparisons between similar plants, (Goodman & Whittingham, 1966, p 129); like enterprise unions, JSSC's do not keep in close contact with the workers of plants supplying their own, (ibid, p 123). Again, shop stewards, like Japanese union leaders, are ordinary employees who are likely to aspire to promotion in the firm after their period of involvement in labour management problems.

Naturally, there are many differences between the informal or semi-formal Joint Shop Stewards' Committees, uneasily related to the trade unions, and the formal, autonomous enterprise unions of Japan. But western industrial sociologists - and Japanese too - have tended to emphasise what they have considered the peculiar Japaneseness of Japanese industrial practices, and in particular 'life employment' and 'seniority by age', which I shall be describing in the next section. I made the comparison between the enterprise unions and JSSC's merely to show that analogies, even if inexact ones, may exist in the west for what appear to be uniquely Japanese forms and customs.

b. Employment practices and the labour market

As I have indicated already, large Japanese companies prefer to take in recruits straight from school or university; and once in a company, employees tend not to leave it for another. There is, therefore, a 'life employment' system in Japan, or at least something approximating to it. A second distinctive practice, related to life employment, is that of paying and promoting employees according to age. It is hard to find a simple translation for the Japanese name for this practice (nenkō jōretsu,*) but I shall call it the 'pay by age' or seniority by age' system.

Two controversies have arisen over 'life employment'. One concerns the extent to which Japanese firms actually do retain employees from school until retirement. The other controversy is why 'life employment' should exist, and whether or not the practice is an atavistic expression of the values of the Japanese feudal period.

Abbeglen, (1958), perhaps the first westerner to consider 'life employment', made it clear that he was considering only the employment practices in large firms, though he suggested (p 76) that social relations, attitudes, and expectations were similar in large and small firms. Certain more recent works, both by westerners, (Ballon, 1969, pp 69-76) and Japanese (Matsushima, 1967; Nakane, 1970, pp 14-22; Totoki, 1966, pp 198-9) have referred to 'life employment' without always saying whether it was as well established in small firms as large.

* Nenkō jōretsu literally means 'age-merit ranking', and one could translate it as 'seniority by experience'. According to Taira, (1970, pp 157-184) the term did indeed have such a meaning when it first entered the vocabulary of industry between the wars. He asserts that the 'concept of nenkō jōretsu is antithetical to the postwar notion of 'lifetime commitment', which implies that a worker stays in the employ of a firm regardless of his merits and achievements (kō of nenkō). Despite its history and etymology, however, the term seems today to be used entirely in the sense of 'pay - by age' and to have no implications of merit or desert.

The importance of distinguishing between large and small firms in the matter will be apparent from what I said in the last section. Small firms are (or have been) insecurely dependent on large ones. Large companies have been able to weather recessions by reducing their orders to their smaller sub-contractors. By this means larger companies have been able to retain their workers, and so comply with the ideal of life employment, even during recessions which have forced smaller companies to dismiss their employees. The labour turnover in small firms is rather higher than that in large firms, and indeed is a cause of the lower rate in large firms:

Table I.4

Separation rates in manufacturing industry: (%)

Size of firm	1963	1964	1965	1966	1967
500+ workers	21.3%	23.4%	21.6%	19.3%	21.1%
100-499 "	31.6	33.3	30.2	28.0	30.5
30-99 "	33.9	37.2	33.9	32.6	35.6
5-29 "	32.5	31.3	31.7	30.3	30.0

(From the 1968 Labour White Paper, quoted in Mannari & Marsh, 1970, p 74)

Even if we accept that when he speaks of life employment he means nothing more than 'life employment in large firms', Abbeglen's assertions are a little extravagant:

> 'At whatever level of organization in the Japanese factory, the worker commits himself on entrance to the company for the remainder of his working career. The company will not discharge him even temporarily except in the most extreme circumstances. He will not quit the company for industrial employment elsewhere'. (1958, p 11)

Abbeglen goes on to remark that though men do leave companies, and companies occasionally dismiss their workers, 'the rule of a lifetime commitment is truly proved by its rare exceptions'.

In fact, though separation rates in large Japanese companies are certainly lower than those in, say, American companies of the same size, they can not be considered negligible; and too many people leave Japanese companies for leaving to be merely the exceptional behaviour that proves rules, (cf Tominaga, 1962, pp 27-33). It is not easy to compare figures from different countries fairly, but Marsh and Mannari (1971, p 2) give the following table for separation rates for employees in manufacturing industry in Japan and the United States:

Table I.5

Separation rates

	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
Japan	2.0%	2.1%	2.5%	2.4%	2.3%	2.6%	2.3%	2.2%	2.4%	2.3%
U.S.A.	4.1	4.3	4.0	4.1	3.9	3.9	4.1	4.6	4.6	4.6

All forms of separation, including retirement and transfers within a company from one place to another, are referred to in the figures. The Japanese data are taken only from firms with more than thirty employees, the American data from all sizes of firm.

Given the difficulty of defining extremity, it is hard to disprove Abbeglen's claim that firms do not dismiss workers except in extreme circumstances. Nevertheless, it may be wondered how much more reluctant Japanese managements are than western ones to declare workers redundant. In 1971, while I was in Japan, Mitsui Tōatsu, a very large manufacturer of chemical fertilizers, decided that the best way to overcome a considerable loss which came after three years of declining profitability but rapid enough growth, was to reduce its work force by fifteen percent. Some of the men who were dismissed, however, were taken in by other members of the Mitsui group of companies. (Diamond Company Directory, March, 1972 p 308). Again, at Marumaru, the company I studied, it was expected that a number of men at one of the new factories would have to be dismissed, since the factory was finding it impossible to get orders. The dismissals took place after I left Japan.

In fairness to Abbeglen it should be said that he recognized that the difference between Japanese and western employment practices was one of degree (1958, p 11); but he certainly overestimated it.

The second issue on which Abbeglen has received considerable criticism is that of the origin of life employment and the reasons for its persistence. Abbeglen supposed that life employment was a traditional practice inherited from pre-war days if not from a still earlier, pre-industrial period, (Abbeglen, 1958, pp 130-1). The fact that even now employers and employees continued to enjoy a permanent relationship was due to a strong moral loyalty which persisted in spite of practical considerations:

> The worker, whether labourer or manager, may not at his convenience leave the company for another position. He is bound, despite potential economic advantage, to remain in the company's employ. The company, for its part, must not dismiss the worker to serve its own financial ends. Loyalty to the group and an interchange of responsibilities - a system of shared obligation - take the place of the economic basis of employment of worker by the firm. (ibid,p17).

Abbeglen's thesis that life employment, or even low labour mobility, was a legacy from former times was undoubtably wrong. Tomingga (1962, p 34-5) showed that labour mobility in large firms was significantly higher before the Second World War than after it, so that life employment appeared more an innovation than an inheritance. Hazama (1963, pp 103-6)* next explained how the employment practices associated with life employment had originated in the early decades of this century. Employers, anxious to reduce the very high labour mobility encouraged by a shortage of skilled workers, began to recruit boys and girls straight from schools in rural areas. New forms of allowances were introduced into pay systems to encourage workers to stay; and eventually, in the period between the wars, pay and promotion by age became customary. At the same time managers began to put conscious emphasis on harmony in industrial relations, the extent of common interest between manager and worker, and the likeness of factory and family; and also on the concept of serving the nation through work.

* See also: Taira, 1970, p 97ff; Yoshino, 1968, pp 65-84, for an account of Hazama's more complete work on this subject, unfortunately out of print in Japan.

After the Second World War there was an enormous surplus of labour. The damage sustained by industry had reduced the number of jobs available just when demobilization and the repatriation of Japanese from the expropriated colonies of the Japanese Empire had increased the number of people looking for work. Under these conditions the newly flourishing enterprise unions were naturally most concerned to preserve the jobs of their members and to prevent dismissals; for a worker who lost his job might not find another. Life employment, which before the war had had the approval of management, was now the conscious objective of labour unions.

Union activities also contributed to the post-war re-establishment of the 'pay by age' system (Kishimoto, 1968, p 5; Taira, 1970, p 185). In spite of their reiteration of the slogan of 'equal pay for equal work' the Japanese enterprise unions, as I have already explained, were constitutionally ill-suited to pursue this goal more natural to a trade union movement. In any case, wages were extremely low and it was imperative to arrange that those workers who had the greatest family responsibilities should have the most money. In 1946, the Electric Power Workers won an agreement of which the form constituted an important precedent. Wages were to be paid according to age and number of dependents, as well as skill and experience. Once again pre-war ideology and post-war necessity combined to common effect.

So lifetime employment is not derived from antique custom in the way Abbeglen suggested, but instead is the consequence of the policies of employers before the last war and of the activities of unions after it, policies that were inspired by the practical circumstances of the labour market. Nevertheless, it has to be recognized (cf Cole, 1971, p 114) that the ideas involved in lifetime commitment and pay by age do indeed have an affinity with the ideals of earlier Japanese eras. Since very few managers or workers today are aware of the detailed history of life employment, the practice is frequently thought to be traditional.

The most detailed argument against Abbeglen's thesis that loyalty alone disposes companies to retain their employees and employees to remain with their companies has been provided by Mannari and Marsh in a recent series of papers. They point out (Mannari and Marsh, 1970, p 70-1) that law and practice make it diffiuult for a company to dismiss workers and that there is now in any case a shortage of labour, so that few employers would want to reduce their work force. Employers also think of their offer of security of tenure as important in recruitment; for they consider that applicants are looking for just such security.

The greatest inducements to the employee to stay with one firm are the pay by age system and the preference of companies for recruiting workers straight from school. The longer an employee stays with one company the better his pay and prospects. At the same time, the older he becomes the less his value is to other companies, which prefer to take in school boys and train them young. In short, the longer a man stays with a company, the longer it is in his interests to stay.

Undoubtedly a man's prospects in the labour market will weigh most with him when he decides whether to stay with a company or leave it, but common sense would suggest that moral loyalty might influence his decision. Mannari and Marsh (1971a, p 16; 1971c, p 811) seem to me to go too far when they say they can find no proof that moral loyalty to a company exists.

In view of these arguments it is perhaps most convenient to think of life employment in Japanese companies in the same way as one would think of 'equal pay for equal work' in Britain: a principle sufficiently honoured in practice to be considered a major characteristic of the employment system; but with too many qualifications and exceptions to be taken as a complete description of that system.

So far we have spoken only of how the life employment system came into being and of the reasons for its persistence. Recently, however, there have been important changes in the labour market which are likely to modify,

if not subvert life employment and the custom associated with it of paying employees by age. There has come to be a labour shortage, not in the absolute sense that there are no people to man factories; rather the shortage is a relative one, of younger, less highly educated workers.

The shortage has arisen for several reasons. One of these is, of course, the growth of industry and its need for more and more workers. Another is the sharp fall in the birthrate shortly after the war, (Hara, 1970, p 16). While the supply of younger people has been falling off, older people have been living longer (ibid, pp 39-40). The once large agricultural population is no longer able to send vast numbers of its sons and daughters into industry (ibid, p 111); for on the farms themselves there are fewer and fewer workers, and an increasing proportion of them are old. Finally, the decreasing numbers of workers coming on to the labour market from schools and colleges are tending to be more highly educated. Almost no one is leaving middle school for work; the majority of middle school children are now going on to high school and university:

Table I.6

Graduates of various institutions entering the labour market.

	Total	Middle	High	Univ.	('000s)
1955	1,020	700	260	70	
1965	1,410	630	630	150	
1968	1,430	370	840	200	
1970 (est)	1,230	260	700	270	
1975 "	1,140	140	680	320	

(Hara, 1970, p 42)

As a result, the substantial labour surplus of all categories of worker that existed in the 1950's is being converted into a shortage of young and middle-aged workers:

Table I.7

Number of candidates per job by age.

	1960	1963	1966	1967	1968	1969
Total	1.5%	1.2%	1.0%	0.8%	0.7%	0.6%
15-20	1.4	0.9	0.5	0.4	0.3	0.2
21-30	1.5	1.1	1.0	0.8	0.8	0.6
31-40	1.5	1.0	1.0	0.6	0.6	0.5
41-50	3.7	2.0	1.2	0.9	0.8	0.7
51-	15.2	7.2	7.8	4.7	3.8	3.3

(Hara, 1970, p 31)

It is easy to see how the shortage of young people is beginning to make it hard for companies to maintain the life employment system. For if a company is growing and can not get the labour it needs directly from schools, it naturally has to recruit from the adult labour market, as in the west. Recently the Japanese newspapers have been full of recruitment advertisements, and hundreds of placards in trains and at railway stations urge men under thirty five, with or without experience, to apply for this or that company. The smooth absorption of numbers of 'mid-career recruits' (chūto saiyō) into companies of which the majority of workers have entered from school or college (gakusotsu saiyō) is becoming a major serious problem for Japanese management, as we shall see in this thesis.

The converse problem is that firms have been suffering from the high turnover rates among the workers they recruit with such difficulty (and at such expense) from schools. It is not at all clear whether the leaving rate has risen as the labour shortage has intensified (cf Dore et al, 1971, p 48). The monthly separation rates already quoted show relatively little variation over the years in spite of the very substantial changes in the labour market; but this may be (cf Satake, 1969, pp 20-1) because even though more and more young people are leaving companies of their own accord employers are discharging fewer workers, so that labour turnover as a whole

has remained steady. At any event, today more than half of all new school recruits into companies are leaving within a few years of joining:

Table I.8

Leaving rates among high school graduates.

	Year of entrance to co's		
	1966	1967	1968
% leaving after			
one year	25.7%	25.4%	22.5%
two years	15.8	15.6	
three "	11.5%		

(from Min. of Labour, Labour Market Centre Investigation. quoted in Hara, 1970, p 74)

It can be seen that the percentage of leavers falls in successive years; and indeed after three or four years of service men tend to stay with their companies for good. It is then that, under the pay and seniority by age systems, an employee begins to acquire status and salary; while at the same time his value on the labour market is falling. The possibility of his getting a better job outside his original firm rapidly diminishes with time. A man's prospects inside and outside his company can be expressed in diagrammatic form:

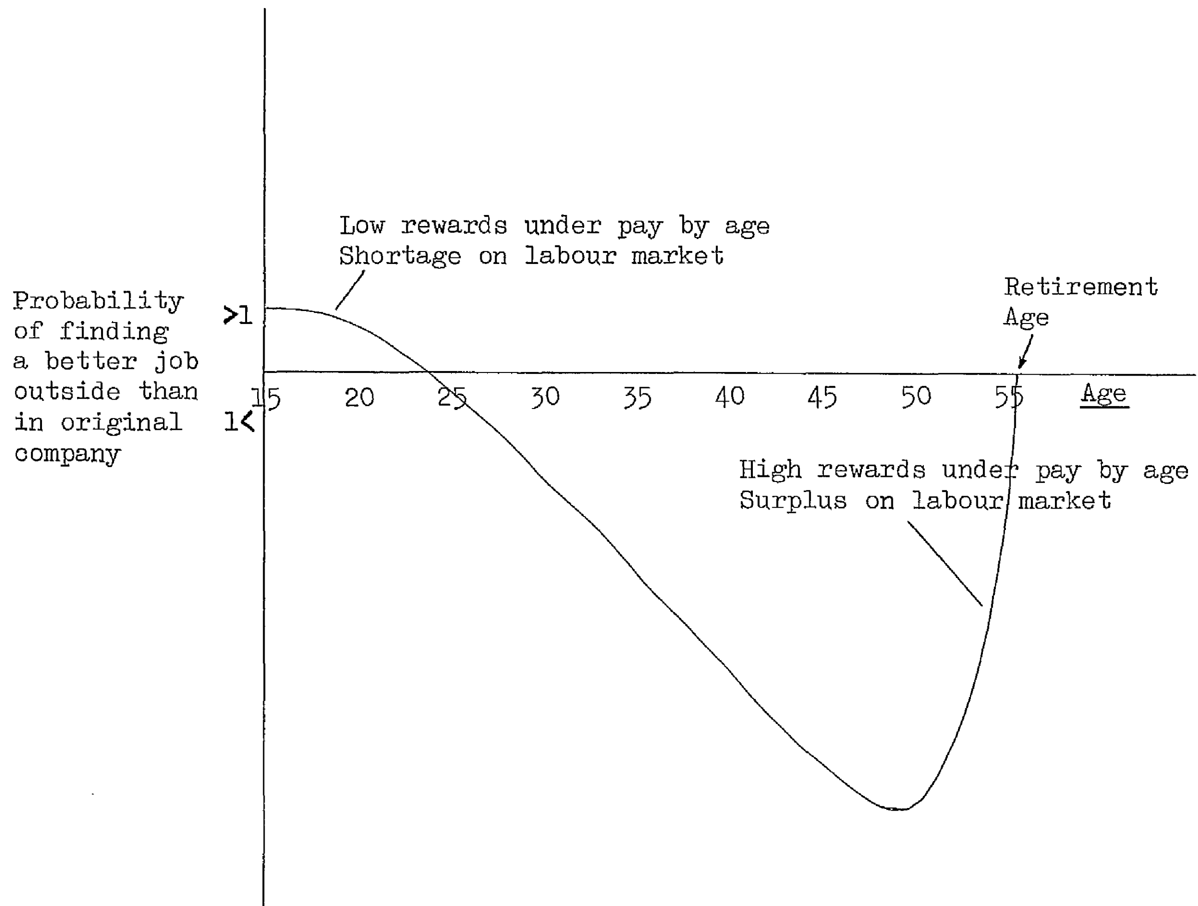


FIG.I:1 Variation with age of a male non-graduate's prospects inside and outside a firm.

It should be noted that the diagram refers to high (and middle) school leavers; for graduates, as we saw above, are becoming relatively and absolutely more common as more Japanese school children go on to higher education. Among high school leavers there is a short period at the beginning of a man's career when he loses little and may gain much by looking outside his first employer for work. At this stage, he could be described, therefore, as a mobile worker. But towards his mid-twenties an employee accumulates credit inside the firm and loses potential outside it to the extent that it becomes unwise for him to leave, especially in view of the family responsibilities he is now likely to assume. From now on he can be considered an immobile employee, committed to his firm for life, but as much passively through circumstances as actively by his own will and loyalty.

Much of this thesis will be devoted to the differences I detected in attitude and behaviour between the mobile employees of Marumaru, the young high and middle school entrants, and the immobile employees, the graduates and the older non-graduates. I should emphasise therefore, that the distinction between mobility and immobility is purely a statistical one.

I remarked earlier that the shortage of young people was also having an effect on the pay by age system. In order to attract recruits, companies have to raise the wages they offer to young workers. (Sakurabayashi, 1966, p 46). And because, despite the better wages, there are fewer young people coming into companies, the average age of work forces is rising, so that firms are having to reduce payments to their older, more highly paid workers, in order to keep down average wages. The wage curve therefore becomes less steep, and the difference between the pay of younger and older workers lessens. (Cole, 1971, p 84).

These effects of the labour shortage on the pay by age system add to the direct effects of this shortage on life employment. The smaller the increments of pay with age, the less the incentive for young workers to stay with one company, and the higher labour turnover becomes.

Since it is only recently that young people have been in short supply, the effects on Japanese employment practices have so far only been marginal. And change is, and will doubtless continue to be, rather slow; for modification of any one institution, such as life employment, involves changes in a number of associated institutions - the enterprise unions, and the hierarchical groups of companies, for example - so that the forces for change have to overcome the inertia of a complete and coherent industrial system. Nevertheless, it can be expected that within a decade or so the age distribution of the Japanese population will be such as to make life employment and pay by age impracticable even in the largest and richest companies.

We saw earlier how during the opening years of this century a labour shortage, though of skilled rather than young workers, induced a change in employment policies in Japanese industry and a concomittant innovation in management ideologies. It may happen once again that alterations in labour market conditions will necessitate or at least encourage changes in the ideas prevalent in industry. In the next section I shall discuss briefly what some of the current ideas are.

c. Industry and ideas

It would perhaps be helpful to begin this short survey of an enormous subject by distinguishing between the ideologies of managements and unions which have their practical consequences largely within industry, and, on the other hand, the attitudes and opinions that affect relations between industry and other parts of society.

The most distinctive management ideology, and the one that has most frequently been taken as characteristic of Japanese industry, is 'management familism' (keiei kazokushugi), which began as a deliberate attempt to revive in industrial companies the attitudes of the Japanese family or 'house' (ie). Today the comparison between the 'house' and the company is less commonly made, and it would perhaps be more accurate to speak of Japanese management ideology as 'collectivism' - I use the word not in the traditional political sense but as a translation for 'dantaishugi' (cf Hazama, 1971, p 10).

Great emphasis is laid, for example, on the cohesion and the unity of common interest of company employees. Internal distinctions within a company between, say, managers of different ranks or managers and workers, are considered less important than the fact of their common membership as a company. Just as in the village a man's 'house' was the most important determinant of his position in society, so a company employee, asked to say what he does for a living, will reply not that he is an executive or a driver, but that he works for such and such a company. (cf Nakane, 1970, p 2-3). The predisposition to identify oneself with a company in this way is encouraged by the absence of concepts of profession or trade, and of the institutions, like trade unions, founded on those concepts.

Because harmony and at least superficial unanimity are so highly valued within companies, labour management relations are handled in such a way that overt conflict is avoided, compromises being reached in private on contentious issues. Decision making in management, which might otherwise entail quarrels and dissension, is organized to allow for the

participation, even in a trivial sense, of large numbers of people, and the final decision literally and metaphorically bears the mark of everyone who was consulted, however perfunctorily, on an issue.

Again, it is recognized that it is the duty of a company to support its members, and to involve itself in what would in the west be regarded as 'personal' matters - though as we shall see, employees themselves value privacy and freedom from company interference even while demanding that companies provide this or that amenity outside work.

Finally, 'management familism' or 'collectivism' implies an interest in the continuity of the company community. Workers and managers accept that life employment is the ideal, that companies should not dismiss a man except in truly exceptional circumstances, and that a man would want, and ought to be able to expect to stay with one company for life. This ideal persists in spite of the large number of exceptions to life employment that we saw to occur in practice: the facts that life employment is possible only in large companies, that companies do dismiss their workers, and that so many young people leave firms of their own accord.

Even though the ideas associated with 'management familism' are very influential in Japanese industry, they are not the only ones that offer themselves either to managers or workers. No doubt managers have always been able, in Japan as in the west, to choose from a variety of management theories and a repetoire of techniques of this or that branch of management, each technique more or less compatible with the main theories. The coming into fashion of the concept of management familism itself - which occurred, as I have explained, in the early years of the century, long after industrialization first began in Japan - coincided with a kindling of interest in the then new American theory of Scientific Management. Noda (1971, p 41), has described how the principles of Scientific Management

were enthusiastically put to work in Japan as early as 1912, only five years after Taylor had first propounded them. Certainly nowadays Japanese managers are able to get as much information as they would want on the theories of the Human Relations school, Management by Objectives, Zero Defects systems, Productivity Pay Scales, or Promotion by Examination, simply by reading any one of half a dozen magazines.

In the course of this thesis we shall see how apparently incompatible management theories were reconciled at Marumaru. Pay and promotion, for example, were sufficiently dependent on age not to upset those company members who thought of pay by age as a worthwhile tradition; but at the same time enough able young people were promoted for it to be considered that the company was modern and forward-looking.

Management familism has been challenged not only by rival management theories but also by the ideologies of the labour movement, ideologies which have, since the post-war revival of trade unionism, been predominantly left-wing. As I explained in the first section of this chapter, most unions in Japan are enterprise unions, but the enterprise unions or rival companies are allied in union federations, and the federations are in turn affiliated to union congresses or centres. Both the two main centres, Sōhyō and Dōmei, are associated with political parties, Sōhyō with the Japan Social Party and Dōmei with the more moderate Democratic Socialist Party. Perhaps because these parties have been out of power for two decades their energies have been expended as much on ideology as on practical matters. In the same way the union centres, and especially Sōhyō, have been preoccupied with rarified political issues of limited relevance to the lives of ordinary union members.

Lower down in the ranks of the labour movement, the enterprise unions have shown rather less concern for polemics - at least in recent years.

The fact that their interests are bound up with those of companies has made them conservative and sympathetic to many management aims, and particularly that of growth. When, as occasionally happens, an enterprise union has come under the influence of Communist leaders, and labour-management relations have become less harmonious, managers have been able to encourage the secession from militant unions of pliant 'second unions', by appealing to the loyalty and self-interest of workers. But even though enterprise union leaders have tended to adopt co-operative, not to say meek policies towards managements, they have been so far influenced by the traditions of the Japanese labour movement and the utterances of the union centres that their perceptions of labour-management relations and the language they use to express their relatively modest aims is distinctly Marxist. (Cole, 1971, p 266-7). One day, perhaps union oratory will be translated into action, but certainly it can not be said that Japanese workers lack an alternative interpretation of their position to that put forward by management.

Because, under the promotion by age system, managers tend to be older than workers, labour management relations are inevitably in some measure associated with relations between old and young. (cf Cole, 1971, p 267).

Japan's recent history has been so full of continual social and economic changes that the experiences of young and old have been profoundly different. Those below the age of twenty five have been brought up in a more or less peaceful and democratic society preoccupied with commerce. Born into small, relatively egalitarian families, they have passed through an education system of American design, and their

tastes and interests have been influenced by newspapers and television. By contrast, the formative years of their elders were characterized by war and austerity, autocracy, discipline and intellectual isolation from the rest of the world.

It is understandable, therefore, that Japanese, and especially those in industry, should suppose that the differences between the experiences of those born before the war and those born after it should lead to there being disagreement if not dissension between the generations, a real 'generation gap'. Various institutions have carried out surveys of the attitudes of young people, and from these it would appear that young Japanese are rejecting any traditional, or rather established, customs and attitudes.*

Differences in opinion between old and young are likely to be due not only to changes in the upbringing of generations, but also to differences in the positions assigned to old and young and the opportunities open to them. So, for example, a man might disagree with his elders about property rights partly because he was the child of a new era, but also because, being young, he had not had the time to acquire the wealth of an older man. Only in twenty years' time, when a generation has passed and to-day's young are middle aged will it be possible to tell how far the differences between them and their elders are due to generation. My own view, which I will be expounding later, is that the opinions of the young people of Japan are engendered as much by their age as by their generation; especially so in industry where the promotion by age system and the nature of the labour market create very different conditions for young and old. But the fact that a 'generation gap' is thought to exist, that older employees and managers attribute

* See, for example, Matsuo (1966), or Okamoto (1971); the latter in particular discusses the problem of distinguishing the effects of age and generation.

the behaviour of juniors and subordinates to their post-war upbringing, undoubtedly affects labour management relations.

I should now like to consider the second set of attitudes and ideas affecting industrial life, those involved in relations between industry and the rest of society.

Until recently, companies have enjoyed the favour and even admiration of the community. It was, after all, the great companies of Japan that re-created the wealth of the country after the utter devastation of the last war, as those Japanese who experienced the poverty and deprivation of the early post-war period well appreciated. Moreover, companies have helped to restore Japan's place in the world, and caused the nation to be respected as what the Japanese like to call an 'economic great power'.

As I noted in the Introduction, companies have used advertising and less direct methods to encourage this appreciation of their services in a community already disposed for historical reasons to be interested in the pursuit of economic security. They present their activities as being primarily for the good of the nation and its citizens; what they gain from their activities, their great wealth and the prestige that wealth buys in the way of company villas at hot spring resorts, company cars, and company account at the best restaurants, is implied to be the almost incidental return for their contribution to society.

One of the most active proponents of the doctrine of the company in public service has been Matsushita Electrical Industries. One of its officers is reported to have explained the company's thesis as follows:

> 'Service, not profit, is the objective. Profit is not what we can earn - it is given to Matsushita in appreciation of its services. If the company fails to make its profit, it has committed a social blunder or sin, according to our philosophy. The society to which Matsushita belongs entrusts it with capital and manpower for Matsushita to get results. Profit is the appreciation of society, the reward to Matsushita for what it has done'.
>
> (Winsbury, 1971, p 20)

This sort of interpretation of the relations between industry and society, for all its obvious naivity, has in the past been acceptable to a great many Japanese. Recently, however, companies have ceased to be held in quite the same regard.

The disenchantment with industry has a number of causes. Japan has become rich. No longer is it necessary to work hard to export in order to survive. On the contrary, export successes, which have been due partly to the efficiency of companies, have aroused irritation and antagonism among nearly all Japan's trading partners and so become embarrassing. The young take prosperity for granted; the old are losing their memories of the poverty which preceded it. Attention turns to other matters than the accumulation of national wealth - notably to the redistribution of that wealth and the provision, deferred for lack of funds while industries were being encouraged, of public works and welfare arrangements, which Japan greatly lacks. The contribution of companies to both nation and community has therefore been depreciated.

Now that, thanks to the activities of companies they are safe from penury, Japanese can indulge themselves in doubts, as divines might revel in Original Sin, that they have been too materialistic, and that their outstanding economic success has been achieved at spiritual cost. The phrase may possibly have been coined by a foreigner, but Japanese

like to castigate themselves for being 'economic animals'. The very first question I was asked at a meeting of Marumaru department heads who had assembled to welcome me into the company, was whether people in Britain thought of the Japanese as economic animals.

Opinions have also been influenced by the increasingly anti-social behaviour of industrial companies - or at least the greater attention paid to that behaviour by press and television. As in other countries, but on a very much greater scale than, for example, in Britain, land and water are being rendered unfit for human use by the practices of industry. While I was in Japan several dozen people were designated 'pollution patients' in two of the most unpleasant industrial districts, Yokaichi and Kawasaki; and every so often one of these patients was reported to have died. The sea around the town of Fuji, and in the shadow of the mountain, was poisoned by an evil mud (hedoro) produced by the paper factories of the area. After it had been shown that many of the people living near one of its factories had been killed or maimed by cadmium effluent, a large aluminium producer, Shōwa Denkō, was successfully sued for damages. Small wonder that the Japanese have become thoroughly conscious of pollution. Pollution indicators have been installed on main Tokyo streets; and the number of parts per million of this or that toxic substance in the air or in food is a matter for everyday conversation.

Companies have not merely been guilty of misuse of materials and carelessness in their disposal; some of them have adopted remarkably cynical attitudes to public concern over pollution. Again, while I was in Japan, the Chisso Company, which is alleged to have killed dozens of people by releasing mercury into the sea at Minamata, held its Annual General Meeting. The Minamata Disease Society had arranged that its members should each buy one share of the company to enable them to attend the meeting and put questions to the directors. The management

however, hired gangs of bodyguards (sōkaiya)* to protect them from the questions. The meeting closed only a few minutes after it had opened with the bodyguards fighting some of the patients and their student supporters, while other patients looked on from their stretchers. And in Nagoya, the local section of the Ministry of International Trade and Industry, was discovered to have conspired with a company and allowed it to avoid meeting the regulations on discharges of industrial waste.

Nor was the period lacking in more normal breaches of ethics and commercial ethics. At Fuji Bank, then Japan's biggest, there was a fraud case involving the equivalent of millions of pounds. At Yashica Camera a director was found to have embezzled a lesser sum.

The growth and vigour of Japanese consumer organizations testified to the distrust with which industry was coming to be viewed by the common man, or more usually, woman. In 1970-71 a leading women's organization campaigned against the electrical manufacturers for rigging the prices of colour television sets far above their true value. It chose as its prime target Matsushita Electrical Industries, the company whose doctrine of service to the community I have already mentioned, and began a boycott of Matsushita products. Shortly afterwards the electrical companies were arraigned by the United States Government for 'dumping' television sets on the American market at less than their fair price in Japan. An enquiry showed that only certain companies, among them Matsushita, had been 'dumping', and it appeared more and more probable that these companies had been keeping prices high by illegal means at home so that they could export cheaply. Eventually the Japanese Fair Trade Commission, confirming that home prices were far higher than market forces would have allowed, caused prices to be cut by twenty percent. The women's organization ceased its boycott, but not before Matsushita had suffered a large fall in profits.

*The practice of using <u>sōkaiya</u> (general meeting men) to browbeat and silence shareholders is an established one. cf Glazer, 1969, p80

These events and many more like them have vitiated the claims that industry serves and leads the community, and have induced a distrust of companies and of their associations with the government. So conscious have the Japanese become of industrial misdemeanours and especially pollution, the facts of which are known even to primary schoolchildren, that the change in public attitudes is bound to have an effect on social relations within industry, perhaps by diminishing the self-confidence of managers or by accentuating the divisions between the old and the young. Indeed, the young workers at Marumaru were very much aware of the social responsibilities of industry, though not to the extent that relations within the company were directly affected.

d. Summary

What I have tried to show in this chapter is the coherence of Japanese industrial organization and the directions of certain changes taking place in it.

We saw how the dependence of companies on bank loans, and the preferential treatment offered by banks to large companies, has caused there to be a division between large and small companies; how this division entailed different treatment for the employees in large and small companies, so that large companies, buffered by small ones, were able to take in employees from school or college and keep them until retirement, paying them more with every year of service. These practices were made possible, and even favoured, by the organization of the labour movement into enterprise unions. Finally, we saw that there was a management ideology which emphasized the cohesion, unity, and common interest of everyone within a company; and this ideology, acceptable to the enterprise unions if not to their federations, provided the employment practices of large companies with the authority of a factitious tradition.

I mentioned three ways in which these mutually dependent institutions and practices are being or might be changed. Loans and credits are no longer quite so scarce as they were, and small companies are now able to obtain capital for investment more easily than before. Industrial dualism may therefore come to an end within a few years, and the employment practices of large firms, part of the costs of which are borne by small firms, may have to change. The rapidly worsening shortage of young, less well-educated workers, which has already put young workers into an advantageous position relative to older ones, is likely to make it increasingly difficult for companies to pay by age, and to keep workers for life. It is the important effects of this labour shortage on the social relations within companies that constitutes one of the

main themes of this thesis. Finally, as we saw, there are and are likely to continue to be, considerable changes in the ways in which companies are viewed by both those inside them, and by the community as a whole. These shifts of opinion may induce changes in the way industry works in the future.

I should, however, like to guard against giving the impression that all recent events are likely to induce changes in the life employment system, industrial dualism, and the institutions associated with them. The very high rate of inflation, for example, provides a strong incentive to labour unionists to work for the maintenance of the pay by age system and paternalistic rewards. For if older men were not paid according to their age, and offered housing and family allowances, they might find it very difficult to rear families. In Marumaru, as we shall see, the union sternly opposed any relative reduction in the pay of older workers.

Similarly, as I have indicated already, it would be a mistake to think of the changes that have been taking place in the social organization of Japanese industry as changes from traditional forms to modern ones. Tradition and modernity are ambiguous concepts in Japanese industry, in which institutions like life employment, which are thought to be venerable, are in fact recent innovations. There is also a frequent confusion between 'modern' and 'western', a confusion which can be exemplified by considering the enterprise unions. The usual implicit comparison has been between Japanese enterprise unions and American company unions; and since the latter are out-dated, the former might be thought less modern than trade unions. But a comparison between Japanese enterprise unions and Joint Shop Stewards Committees or commercial staff associations in Britain might lead to a different interpretation of the modernity of

the Japanese forms or organization. Because of the difficulties entailed in their use, I shall be referring to 'tradition' and 'modernity' as little as possible in the course of this thesis.

It is very possible that Japanese industry is more homogeneous than industry in any western country because of the small size of Japan, its historical isolation from outside influences, and its marked political centralization. Nevertheless, Cole's observations of three different Japanese companies engaged in mechanical engineering have shown how social relations vary in factories with different histories located in different parts of the country. One can, in addition, reasonably suppose that the nature of a company's business would influence the social life within it; and in Japan, as we have seen, there are marked differences in the employment policies of smaller and larger firms, so that one could expect that social relations would also vary with the size of a firm.

It follows from this that more specific details are needed to provide the context for a study of a single Japanese company than those I have given in this general introduction to the social organization of Japanese industry. In the next chapter, therefore, I shall describe the characteristics of the industry in which the company I studied was engaged, and I shall relate how the company stood within that industry, what its associations were with companies in other industries, and what its contacts were - and had been in the course of its history - with the Japanese community as a whole. Finally, to complete the account of the circumstances of my study I shall be saying something about my own relations with Marumaru, and discussing the way in which I carried out my fieldwork.

CHAPTER II THE INDUSTRY AND THE COMPANY

In this chapter we pass from a general discussion of the characteristics of Japanese industry to specific consideration of the part of it I studied; and in it I shall be giving an account of the limits and limitations of my research.

My subject matter was limited in two ways. In the first place it was confined to a certain company in a certain industry, neither perfectly representative - if any company or industry could be - of Japanese industrial society. My field work was, in fact, carried out between April, 1970 and June, 1971, in a medium-large producer of corrugated fibreboard cartons and cases. I shall begin this chapter, therefore, by saying something about the corrugated board industry and the processes involved in it. Then, in the second section of the chapter, I shall tell the history of Marumaru, the company I studied, and I shall note some of its peculiarities.

The second way in which my research was restricted was by being concerned only with social relations within a company, even though the members of the company naturally lived part of their lives outside work. Now I argued in the Introduction that Japanese companies, for all the considerable effect they have had upon Japanese life, formed discreet communities separated in many ways from the rest of society, and so were particularly suitable subjects for study by participant observation. Again, in the first chapter, I remarked on the prevalence in Japanese companies of an ideology of domestic harmony and coherence, a philosophy more exclusive than outward looking; and I also noted the absence in Japan of certain important institutions that in the west linked employees and directors in different companies and even different parts of industry. In the third and fourth sections

of this chapter I shall examine the relations of Marumaru first with the world of industry and next with the rest of society, in order to show that Marumaru did indeed form an independent community, and that I was therefore justified in confining my interests to it and it alone.

Finally, in the fifth section, I shall discuss not the limits of the study but the limitations of the observer and his methods of research. I shall provide an account of myself and my own relations with Marumaru, and I shall comment on the advantages and drawbacks of the ways in which I worked.

a. The industry and the production process

The production of corrugated fibreboard cases is a large and fast-growing modern industry. In nearly every industrial country, corrugated case production has increased rapidly since the war. There have been two reasons for the growth of the industry: the considerable advantages corrugated fibreboard has over other materials for packing a variety of goods; and the increasing demand for packaging of all types as industry has expanded.

The invention of corrugated board provided a material which possessed the lightness and toughness of paper, was rigid without being brittle, and could be fashioned into sturdy containers simply by bending and stitching or glueing. It was therefore a most advantageous substitute for wood. Wood is not notably light for its strength, and is subject to splinter and fracture. Moreover, wood can not be made into boxes except by cutting and jointing, processes which are very much more complicated than those required to produce a corrugated board box, and certainly more difficult to carry out as part of a mass production process. Corrugated board boxes are therefore much cheaper than comparable wooden ones. Among the other advantages of corrugated board are that it can be made to meet extremely accurate specifications

of strength and ability to withstand compression or shock; it can be printed on without difficulty; it is easily disposed of when it is no longer needed; and it even provides excellent thermal insulation - an important consideration in the packaging of fresh or frozen foods - because the air spaces within the material do not conduct heat well. It is not surprising, then, that a vast range of goods that used once to be packed in light wooden crates are now put into corrugated board boxes.

Corrugated board has not only replaced other packing materials but has also suggested itself for new uses in packing. Corrugated cases are used to pack electrical and mechanical equipment, chemicals, furniture and tableware, tinned goods and drinks, books and paper, poultry, fresh vegetables, and fish. There are goods that do not go into corrugated board cartons themselves, perhaps because, like motor cars, they are too big. But corrugated board may well have helped in the manufacture of these goods; their component parts may have been brought in corrugated board cartons from distant suppliers to the central assembly lines. Certainly the material will be used to pack spares. In short, corrugated board has made itself more or less essential to modern industry, and its production has increased with the growth of industry in general.

In no country has the corrugated board industry been more successful than in Japan, where some years have seen rises of twenty percent in board production. As a result the Japanese corrugated board industry has grown to be the second largest in the world, after that of the United States; in 1970 it was more than three times bigger than its British counterpart. The most efficient companies in this expanding industry, among them Marumaru, have had records of achievement comparable with those of firms in chemicals or electronics. Marumaru's production

of board had risen by two and a half times between 1967 and 1970.

It was generally supposed at Marumaru, however, that both the industry and the company had already experienced by 1971, their greatest rates of growth, and that from then on, though production would continue to rise, it would rise more slowly. By then corrugated board had already replaced wooden boxes and other forms of package in those applications for which it was better suited. And it was foreseen that Japanese industry as a whole would grow more slowly, and therefore limit the prospects for corrugated board. There were also worries about competition from newer methods of packaging.

Another important attribute of the industry, besides its success, was its degree of dispersion. In spite of the scale of Japanese production, only one of the producers could have been described as a company of substantial size. In 1969 this firm, Rengō Shiki, held 11.8% of the market and was far larger than any of its rivals. The rest of the market was supplied by two hundred and fifty or so small and medium sized companies, of which Marumaru was one of the largest. These two hundred and fifty companies, all of which possessed the machines to make corrugated board, both served and competed with hundreds of smaller companies, which merely bought sheets of board to turn into boxes.

In one sense, therefore, the corrugated board market was (from an economist's point of view) perfect, and competition keen. Certainly it was true that if a firm of Marumaru's size were to disappear overnight the industry could make up the loss of production in two or three months of normal growth. It was also true that no packaging company even needed to be dependent on any single corrugated board manufacturer, but could always change its supplier at will. The industry could produce far more than it could actually sell, and

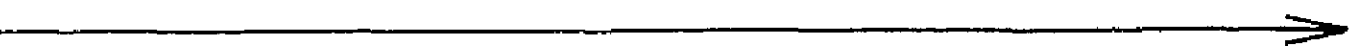
there were constant complaints of 'over-capacity' and occasional attempts to fix minimum prices.

But it seemed possible that the severe competition implied by these facts was restricted to certain areas and certain types of company. Competition was reduced for technical reasons. It was uneconomic to transport empty corrugated cartons for long distances. Though a prefecture might have three or four corrugated board factories they might be too far away from each other to be in serious competition. One of Marumaru's outlying factories was dominant supplier to a region. Again, different types of company existed to meet different types of demand. A manufacturer of electrical goods might need tens of thousands of cases delivered to its factories all over the country, and there would only be a handful of corrugated board firms with enough factories in different places to tender for the contract. By contrast, a remote farm co-operative might need only five hundred boxes, an order unprofitable and inconvenient even to a company of Marumaru's size. Another characteristic of the market which restricted price competition at least was the loyalty of customer companies to their corrugated board suppliers. Few users of board would change over to corrugated board companies they did not know simply because their product was cheap. Reliability and service were often more important than price. It was no use a farm or a machine company's buying cheap boxes if they arrived two or three days too late for the harvest or the export consignment, or if the manufacturer was not on hand to solve unforeseen problems which arose in the packing.

It was fortunate that an industry as successful as corrugated board manufacture should have depended on processes simple enough for even an anthropologist to understand. The chief raw material of the industry was, naturally enough, fibreboard. Between sixty and eighty percent

of the cost of a carton was the price of the paper it was made of, the rest being that of labour, transport, and other materials. The price at which he could buy paper was therefore of critical importance to a corrugated board manufacturer.

The first part of the production process was the making of corrugated sheet. Rolls of paperboard were taken from a store and impaled on reels attached to a very large machine known as a corrugator. In the simplest process three reels of paperboard were simultaneously wound into the corrugator. The paperboard from one reel was corrugated by being passed between two corrugated rollers. The sheets of paperboard from the other two reels were then glued to both sides of the corrugated layer to form a continuous sheet of corrugated board. Pressure was exerted on the board as it ran over a set of rollers, and the hot glue was given time to dry. Finally the continuous sheet was cut into strips of the required size and the strips were taken off the machine and stacked by hand.



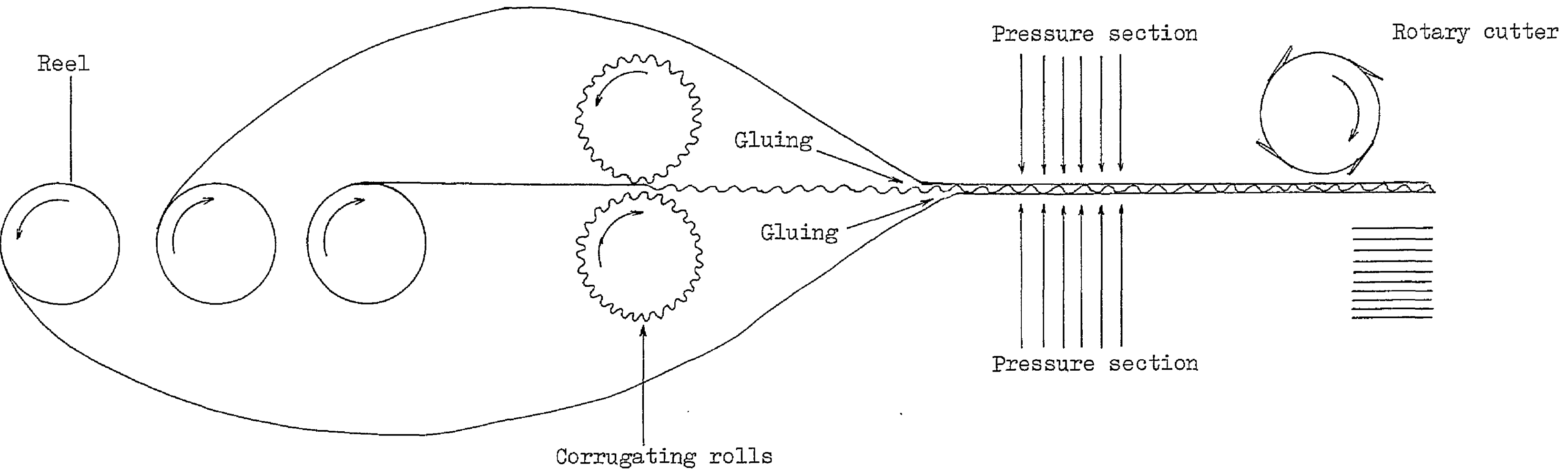


FIG. II:1 The Corrugator (diagrammatic representation)

Though the principles of the corrugator were easy enough to grasp, the actual operation required discipline and teamwork from the shift of eight men working the machine. The reels of paperboard had to be fed into the machine at the right times and in the right order, and the passage of paperboard through the glueing posts and rollers had to be kept clear. The glue had to be kept at a set consistency and temperature, and the cutting and slitting of the board also required constant adjustment. A corrugator could produce up to two hundred metres of sheet a minute, so that even a minor error which could be put right in a minute might still entail the loss of large sums of money.

The second part of the making of a carton involved the cutting, creasing, printing, folding and glueing into box form of the corrugated sheet blanks. These operations could have been carried out on single large composite machines, but it was more common at Marumaru for technical reasons to pass the blanks through a series of smaller machines, each of which carried out one or two operations. At the end of the line the folded boxes were stacked automatically, tied in bundles, and stored or put into waiting lorries.

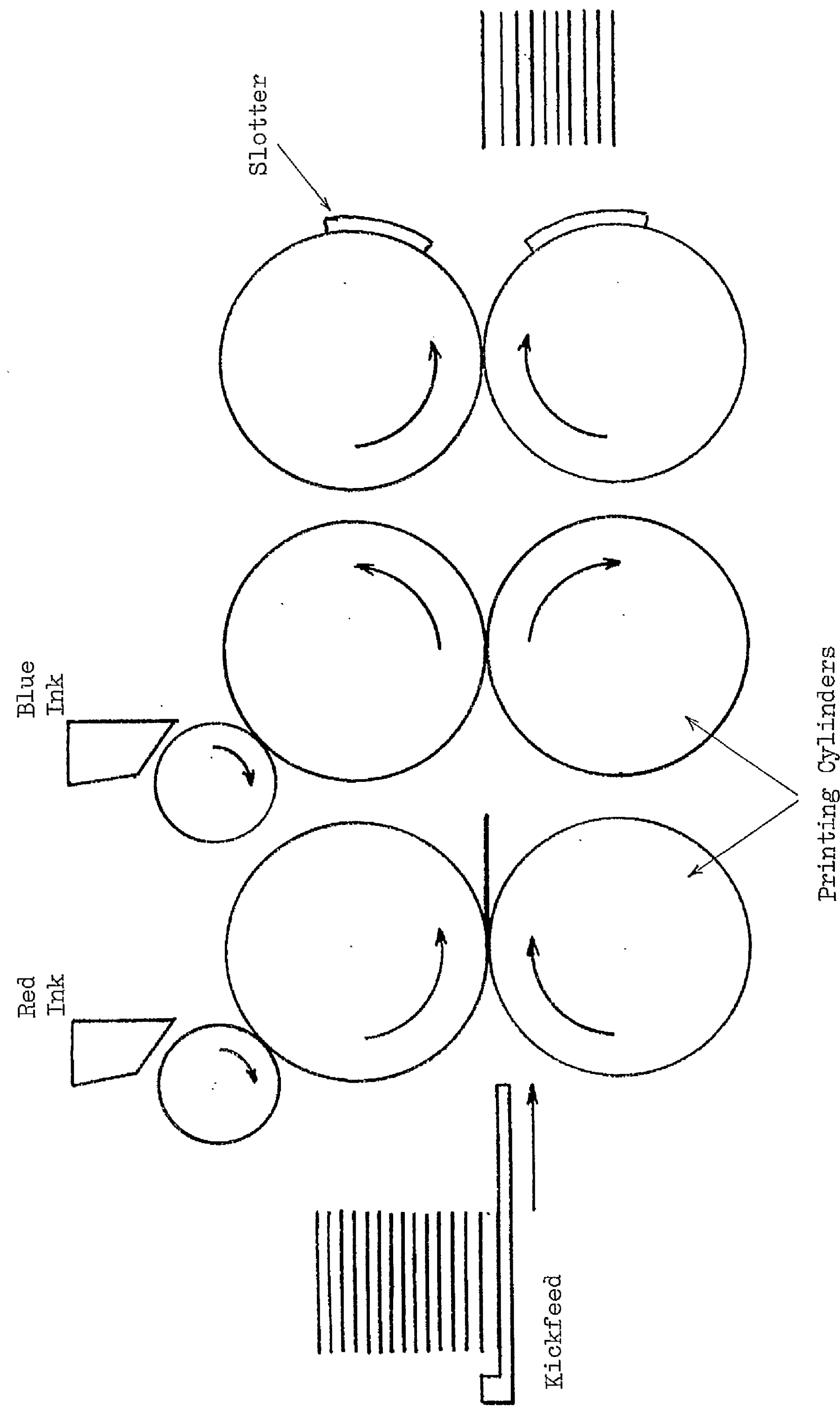


FIG. II:2 The Printer-Slotter

The process was less a continuous automatic one than a series of separate operations carried out by the teams of workers attached to each machine. The number of operations being small, their administration was simple. Finally, technical change was slow. Though new machines were, naturally, being developed all the time, those five and ten years old could still be profitably used; and no machine was likely to be profoundly different from the one it replaced.

In Britain social anthropologists and industrial sociologists have been impressed by the extent to which the circumstances of an industry, the competition within it (Lupton, 1963) or the technology employed in it (Trist and Bamforth, 1951) determined social relations among workers. It was very possible, therefore, that the special characteristics of the Japanese corrugated board industry, its dispersion, the prevalence within it of small competing companies, and the simplicity of the processes involved in it, all influenced the attitudes and behaviour of those who worked in it. Since I did not make comparative observations in other industries,* I was not able to say precisely how these features did affect relations in the corrugated board industry. But in Marumaru at least there was one rather unusual company which would have been impracticable if Marumaru have been engaged in a very different kind of business. Where most Japanese companies arrange that the careers of graduates follow rather different courses, at Marumaru little attention was paid to a man's education in promoting him. A company in the chemical industry, or any other in which complicated production processes and administration made training and specialization more important than they needed to be at Marumaru, would not have been able to waive educational distinctions so easily.

* I did, however, visit a shipyard and a textile manufacturer, and had some discussions with the personnel staff in each.

b. <u>The company and the research setting</u>

As I have already indicated, Marumaru was one of the larger companies in the corrugated board industry. It had several factories* in various parts of Japan, and was the leading producer in one remote region. The company only accounted, however, for a tiny fraction of national production.

Marumaru had been formed in 1949 by the merger of three small timber and woodwork companies in the prefecture of N-. One of the three companies was the subsidiary of a large monopoly corporation, and this corporation almost inevitably became the largest shareholder in Marumaru. Shortly afterwards, however, the corporation was forcibly dissolved by the occupation authorities, who were concerned to break up the giant enterprises associated with the Japanese war effort. Those factories of the corporation in N- and adjacent prefectures were separated off to form a new company, Mumei. Marumaru was now in the curious position of being able to choose its own parent company. It could continue as a subsidiary of the original corporation, now much reduced in size, or it could associate itself with Mumei. The latter course proved most convenient and Marumaru entered Mumei's orbit. The relations between parent and subsidiary companies, which began unusually, developed, as we shall see, in a singular manner.

The new company was under unconventional leadership. I said in the last chapter that in Japanese companies promotion goes largely, if not entirely by age; it follows that most directors or senior executives are in their late middle age. Marumaru began under an older president and a vice-president, in the usual Japanese style; but beneath them was a manger (<u>shihainin</u>)who, I was told, really ran the

* To give the number or exact locations of the factories would reveal the identity of the company and cause its members embarrassment.

company. This man was only twenty nine years old, but already he was said to have been recognised as the ablest man in Marumaru. Ten years after Marumaru's inception the founder-president retired, and the manager took his place; he was still president of Marumaru when I joined the company, twenty or more years after its foundation, and in addition he had recently been appointed vice-president of the parent company, Mumei. None of the senior managers I spoke to had any doubts that he had always been, and still was, responsible for the success of Marumaru. They themselves were thought of by others and probably considered themselves his mere lieutenants. The president looked and behaved like the leader he had been for twenty years. Still young, by Japanese standards, for the presidency of a company, he gave an impression of intelligence and energy, combined with polish and a charm which had endeared him to a large number of employees.

We shall be seeing later on how concerned Marumaru was to maintain a system of promoting men according to ability instead of by age. Marumaru managers thought of the promotion by age system as antiquated, though they found it difficult to avoid applying it in practice. There was no doubt that this belief in meritocracy, a belief more deeply held, perhaps, than in other Japanese companies, had been inspired by the example of the young president-manager.

The fact that the president and, indeed, most of the senior directors, had been in charge of the company for so long had led to there being, at Marumaru, a very centralized company administration. By contrast, it is said (cf Glazer, 1969, p 89) that in many Japanese companies, the president and senior directors may have formal status, but middle managers often have considerable influence. This was not true at Marumaru, and it is likely that, for example, labour-management relations were atypical as a result.

In spite of the ability of the president - who was then, of course, only a 'manager' - the first few years of Marumaru's existence were very difficult. As a result of the merger the company was over-manned, and there was a shortage of orders. Within the first year there were labour problems. At one of the three factories there was a bitter strike which lasted three months and was ended by the dismissal of many workers. According to the very few men in Marumaru who knew anything of it, most of them managers, the strike was instigated by communist extremists but was ostensibly about pay.* Factories were damaged first by fire and next by a typhoon - though a second typhoon did the company a service by destroying houses in the area and so increasing the demand for wood for re-building. Though, because of all these problems, Marumaru made small losses in its first two years of existence, and only marginal profits in the next two, there were signs that the company was under able and determined direction. While the workforce was reduced, especially after the strike, output grew more and more rapidly; and Marumaru began selling outside N- prefecture.

In the third year of Marumaru's existence plans were drawn up to begin production of corrugated board. The very idea seemed foolishly presumptuous. Marumaru was a minor wood company in a remote region, with a hundred or so employees and the slenderest of profits. It was proposing to enter a modern industry of which none of its members had any experience, and in which large quantities of capital would have to be employed. Nevertheless, the president (then manager), whose idea

* Little information could be got from the Ministry of Labour report on the strike. Political strikes were very common at the time, and the one at Marumaru appeared to have merited no special attention.

it was, persuaded the parent company, Mumei, to support the venture, and he also induced local banks to lend the company money. Five years after its foundation Marumaru began to produce corrugated board and boxes in a small warehouse lent by Mumei. It was characteristic of Marumaru that though the premises were unprepossessing, the machines installed were the best and newest then available in Japan.

No sooner had the factory in N- prefecture begun to pay its way than Marumaru set about establishing itself in the Tokyo area, in which the greatest demand existed for corrugated board. Once again the presumptuous plan had to be defended to banks and to the parent company, but work soon began on what was to be Japan's largest corrugated board factory on a site near Yokohama. It was in this factory and the Tokyo head office of the company that I conducted most of my research. Shortly after the Yokohama factory was in production, Marumaru decided to build a much larger factory in N- prefecture to supersede the original one. Thereafter a new plant was built every two or three years, so that by the time I joined Marumaru the company was competing in most of the important regional markets. While corrugated board production was expanding, the wood and timber division contracted. In 1959 sales of corrugated board exceeded those of wood in value for the first time. By 1966 more than ninety percent of turnover was in paperboard; and in 1970 the last of the wood factories was closed down.

I would not want to give the impression that Marumaru's success was achieved easily. The management's strategy was to borrow as much as possible and invest it in new factories and equipment, and then, even before that investment had begun to yield reward, to borrow more and invest more. Even in 1970, when the company had already become an important member of the industry, it borrowed an enormous sum to build a very large new factory together with a research centre near Tokyo. Though the risks were always taken carefully, there was no doubt of the enormous strain imposed on the employees by this precarious

plan for expansion. Each new factory that was built was bigger and more expensive than the last, and too great a delay in reaching the profit and production targets might have meant the bankruptcy of the whole company. Production and sales staff drove themselves to the utmost, working late into the night six days a week, and even on Sundays.

As the company grew it naturally needed to employ more people. I remarked in the last chapter that it is customary in Japan for a subsidiary company to receive superannuated managers and workers from its parent. Though the practice is very much to the advantage of the parent company, which gets rid of those employees who, under the pay by age system, are being paid most and may not be making the greatest contribution to their employer, it can have an unfortunate effect on the subsidiary. Its direction is likely to become lethargic and conservative,* and there may well be strains between the subsidiary's native middle management and the directors and top management superimposed on them. Marumaru, however, avoided taking retired men from Mumei. On the other hand, at this stage Marumaru was too small and too new to be able to recruit large numbers of employees straight from schools and colleges. Moreover the company's need was not for tyros but for experienced men. As in many other small and medium-sized companies, therefore, managers had to be recruited from other firms by invitation of the president or directors. Workers entered Marumaru either on the recommendations of existing company members or, when a new factory was being built in a new area, were taken in through the labour exchange.

* Ballon (1969, p 160) remarks on how joint ventures between Japanese and foreign companies can be harmed by this practice.

Just as Marumaru was not operating a life employment system, so it was not offering its employees pay or promotion by age. So far as I could establish from the nostalgic accounts given to me, the company was in its early days a kind of sentimental meritocracy in which, though many managers had been brought in by personal connections, it was assumed that merit alone decided promotion - the example of the young manager at the head of the company affirming the principle. Certainly some of the men who entered Marumaru casually during these early years rose higher in the company than others who had been employees at Marumaru's inception.

As the company grew bigger, however, it began to recruit more and more people from schools and colleges, and was less disposed to take in people from other companies. And as Marumaru adopted the life employment system, it found it hard not to promote and pay by age, like other Japanese companies of its size, in spite of the intentions of the upper management to reward ability alone.

I mentioned in the last section that no formal distinction was made at Marumaru between graduates and non-graduates in pay and promotion. At the company's foundation few of its managers had been graduates, and it had not occurred to them to differentiate between graduates and others. Nor, as I have noted, did the company's business require such a distinction. When I was with Marumaru it was still possible for a non-graduate to reach the uppermost ranks of management; but by then there were so many graduate employees taken in directly from universities, that it was becoming more difficult for non-graduates to reach the top.

Like other Japanese companies, Marumaru preferred to do its school recruiting in rural areas. The region with which the company had the strongest associations and historical connections was, of course, the

prefecture of N-, and it was there that Marumaru found most of its younger workers. A large proportion of all employees, therefore, were men from N-.

In 1968 Marumaru, now a well known name in the industry, took over a small and inefficient corrugated board manufacturer in the Tokyo region. The small company had been long established and its work force was old; managers and foremen were all five or ten years older than their equivalents at Marumaru. The pace of life was also significantly slower in the small company. There was only one shift a day, while Marumaru was doing three. The great majority of the small company's workers left within a year or two or the merger, presumably because they doubted their prospects or disliked night work. Those that remained were distributed throughout Marumaru's factories where their position was slightly anomalous: they were experienced workers who were nevertheless new to Marumaru. The small company's factory was closed two years after the merger, so that Marumaru seemed to have acquired neither workers nor plant; but I was assured that the small company had been a good buy.

By 1970, when I joined the company, Marumaru was a concern of substantial size. Its turnover was in the region of 15,000 million yen a year, and it employed eight hundred and fifty regular employees. By the time I left, a year later, however, there were one thousand two hundred company members, and Marumaru had become a large company according to the official definition of the term.

The head office was in the business district of Tokyo, in the same building as the head office of Mumei. Marumaru occupied eight rooms, of which one was the president's and another was reserved for four senior directors. Two large rooms were set aside for conferences and committees, and the rest were shared between the various head office

departments, production, buying, accounts and research - though the research laboratories were on the site of the Yokohama factory.

The rooms were sparsely furnished, with little more decoration than a calendar on the wall. The desks and tables in them were always laid out on the same principles. The further from the door a desk was the more important its occupant would be. A director or department head would sit in a far corner at a desk topped with green baize under glass, on a chair with padded arms. His deputies would sit near him at slightly less extravagent desks. Between these senior officials and the door would be two or three tables formed of desks pushed together; at the head of each would be a section or sub-section head, the subordinates sitting on either side on chairs of increasingly uncomfortable design as they approached the door. One small section of the room would be screened off by metal and glass partitions to serve as a parlour; in it two small settees would be set opposite each other, between them a table with an ashtray and a cigarette case. Here discussions between members of the department and outsiders would take place.

There were about ninety people attached to the head office, thirty of them directors, department heads and their deputies. Most of the rest were young engineers in the production and research departments, the remainder being made up of office girls and clerks.

The majority of Marumaru employees, however, worked in the factories. The factories varied in population from a hundred and eighty to forty; The Yokohama factory, where I spent most of my time, providing work for between a hundred and thirty and a hundred and sixty full employees.

Three quarters of the people in a factory would be shop floor workers. To enable production to go on round the clock, at least in the bigger factories, the workers in them were divided into three shift

teams. Each shift team would have to do a week on morning shift, a week on evening shift (16.00 - 24.00 hours), and then a week on midnight shift (00.00 - 7.45) - the unpleasantness of night shift work being a major reason why many young employees left the company.

Each shift team, of about twenty five or thirty workers, was comprised of two sub-sections (kakari). One of these sub-sections worked the corrugator, the other the 'processing' (kakō) machines, the printers and the relatively simple stitching, glueing, and binding machines. The arrangement of the machines at the Yokohama factory, which was similar to that in other factories, and the allocation of workers to the machines is set out in the diagram below.

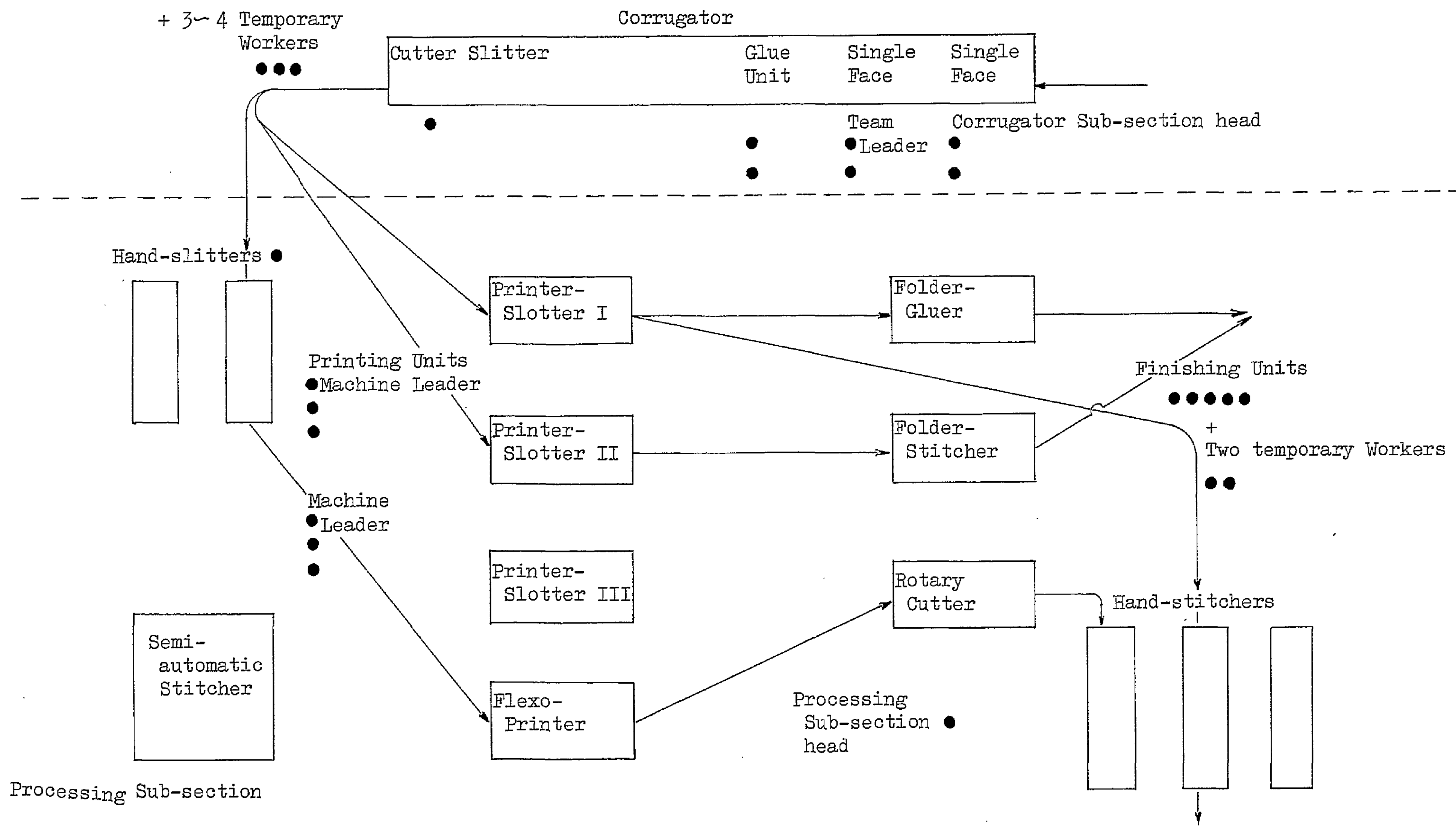


FIG.II: 3 Lay Out Marumaru Yokohama Factory

The corrugator would be working almost continuously night and day but more than half the machines on the processing side would be lying idle at any time. This was because though every order involved the use of the corrugator to make sheet board, each order would only require the use of some of the specialist processing machines. Only one, for example, of the several types and sizes of printing machine would be used to make a batch of boxes; and again, it would be specified either that a box would be stitched into shape or else that it would be glued, but not both. Either the folder stitcher or the folder gluer, therefore, would be lying unused at any moment.

There were so few people in each shift that everyone naturally knew everyone else very well, though there was little opportunity for conversation during working hours. The area of the factory was very large, its dimensions being approximately one hundred metres by fifty. The men on the processing machines would be standing in groups of two or three a considerable distance apart, and often obscured from sight of each other by the tall stacks of half-completed board and boxes waiting to pass through another stage in the process of manufacturer. Moreover the noise of the machines was tremendous. The men who worked on the corrugator wore ear-plugs and had to communicate by signs. It was during the lunch-break, when they played Japanese chess, or in the evenings, when they visited bars together, that members of a shift became acquainted.

Once a year all the shift teams were reconstituted, so that workers had the chance to meet and become friendly with those of their fellows who had previously been living a life out of phase with their own. But it was a little more difficult for shop floor workers to associate with the thirty or so people who worked in the factory office, handling

administration, costing, and sales. These office workers did not work shifts, so that any shop floor shift team only shared lunch breaks with the office workers one week in three. Moreover, many of the office workers were salesmen who spent the day out of the premises, getting orders, and only came back in the late afternoons or evenings. There was no doubt that shift work did, therefore, have an important effect on social relations at those factories, the majority, where it took place. I visited one small rural factory in which only one shift was worked each day during the winter months, and there shop floor and office workers were on very much more familar terms than at Yokohama or the other large factories.

Even in the factories where there was shift work, however, shop and office staff were far from being strangers to one another. At least half the shop floor workers, and perhaps a third of the office staff were unmarried young men, who all lived together in the company hostels, and so had plenty of opportunities to know each other outside work.

I will end this account of the particulars of Marumaru with a brief word about the union. After the disastrous strike in the company's first year of operation, a new labour union was formed either at the instigation of management or at least with its approval. The new union, established as a typical enterprise union, was and was to remain docile and apolotical where its predecessor had been militant and, apparently, Marxist. According to a contract between union and management, the union was debarred from any form of association with any outside body - the chief purpose of the clause being to prevent the union's joining the powerful Paper and Pulp Labour Union Federation (Kamiparōren), affiliated to the Sōhyō union centre. The union was of little consequence in everyday

life at Marumaru, but at the time of the annual wage negotiations union activities achieved some prominence. The union also helped solve major problems and difficulties over working conditions.

c. Marumaru in Japanese industry

I explained in the last chapter how larger Japanese companies have sub-contracting subsidiaries. Marumaru was itself one of several members of the Mumei group, but as I have remarked before, relations between parent and subsidiary in this case were out of the ordinary. Though Mumei held the greater part of Marumaru's shares, Marumaru was nearly three times as large as its parent, and growing more rapidly all the time. Indeed, Marumaru had even bought four percent of Mumei's shares, and the president of Marumaru had become vice-president of Mumei, and was generally supposed to be the man who really ran that company.

I did hear of some difficulties that arose as a result of Marumaru's overtaking Mumei. Because Marumaru had grown so fast, some of its senior managers were rather younger than those of Mumei, and this occasionally made liaison between the two companies a delicate matter. But there was no serious dissension. Mumei retained enough prestige to allow Marumaru increasing importance within the group. Mumei's managers were paid more than those of Marumaru, in accordance with their positions as leaders of the parent company; but in fact their responsibilities were smaller. At the group annual golf tournament nearly all Mumei managers were entitled to participate, but only department heads from Marumaru and the other subsidiaries.

Marumaru had also created subsidiaries of its own. Some of these subsidiaries had been set up to handle Marumaru's own business and then encouraged to take in orders from outside. Marumaru owned, for example,

a road haulage firm, Maru Transport, which had originally been started to run fork lift trucks and lorries for the Marumaru factories, but which hired out is vehicles when Marumaru did not need them. Other subsidiaries were not extensions of Marumaru's activities but ventures into new industries. There was, for example, a land development company which was hoping to construct an entire new town, and a small bottling company.

The companies of the Mumei-Marumaru group co-operated in business, shared their directors, occasionally transferred an employee among themselves, and once a year or so held a sporting event together. But for most of the employees in any company of the group the other companies were distant, though potentially friendly worlds. The Mumei and Marumaru head offices were two minutes walk from each other up a flight of stairs in the same building; yet I spent six months in the Marumaru head office without meeting more than two or three Mumei employees - and those I did meet had come to Marumaru on business. Again, at the Yokohama factory, few Marumaru employees outside the despatch sub-section knew the officials of Maru Transport, whose offices were on the factory premises. The Maru Transport drivers did, however, play ball games in the lunch break with the Marumaru employees they worked with.

Its work brought Marumaru into contact with literally thousands of other companies. They were each associated with Marumaru in one - and sometimes more than one - of four capacities: allies, rivals, suppliers and customers.

The allies comprised not only the other companies of the Marumaru and Mumei groups but on the one hand the large bank and the trading company which held shares in Marumaru and Mumei and provided financial and other services, and on the other hand a number of small companies that depended on Marumaru to supply them with raw materials or work.

Relations between Marumaru and the bank and trading company were close, but in a commercial rather than a social sense. The bank was Marumaru's largest creditor, and the terms of its loans were slightly more generous than those of other banks. The trading company obtained paperboard and other supplies for Marumaru at a slight discount, and also handled Marumaru's not very extensive overseas business, negotiating on Marumaru's behalf for foreign patents or arranging visits to foreign companies for Marumaru staff. One of the superannuated managers of the bank had been made an auditing director at Marumari, and given the job of maintaining the flow of funds by virtue of his knowledge of the bank's working and by his personal connections within it. Two or three men from the trading company worked in co-operation with the Marumaru buying department. But despite the very considerable influence of both these large organizations on Marumaru's prosperity, few Marumaru employees outside the central accounts or buying departments would ever have met a member of the bank or the trading company.

The small allies were very numerous. The waste scraps of board from each Marumaru factory were collected and sold by one of four or five tiny scrap companies associated with Marumaru. Nearly half Marumaru's production of corrugated sheet was sold to independent small firms to be turned into boxes to fulfil orders too trivial to be worth Marumaru's while. And certain labour intensive processes, such as the making of internal fitments or linings for Marumara boxes, were carried out by other small companies situated near the Marumara factories, the work being done on antiquated machines in often hazardous conditions.

Except for the anomalous relation between Marumaru and Mumei the affiliated and associated companies of Marumaru constituted a pattern of the hierarchial company groups I spoke about in the first chapter. Each company was dependent for work and sometimes financial aid on the company above it in the chain, Marumaru itself relying on the goodwill of the bank. The bigger the company, the better the conditions it offered to its employees - except, as I have explained already, that Mumei paid higher wages than Marumaru. If there had been a crisis, and the bank had called in its loans, Marumaru would have reduced its orders to sub-contractors sharply, and their own sub-contractors would have had to go out of business. But a distinction would probably have been made between the affiliates, the subsidiaries of Marumaru and Mumei, and the associated companies in which Marumaru had no financial stake. The affiliates would on the whole have received more lenient treatment in a recession, though there were at least two associated companies which Marumaru would have had to support in its own interest.

There was an obvious similarity between this arrangement of parent company, affiliates, and associates and that of the Japanese rural family (dōzoku)*, with its head house (honke) and branch houses and clients. The branch house members would be the kin of those in the main house, while the client houses might not have genealogical connections with the others; but both branch houses and clients would be dependent on the main house if times became hard.

* There is some controversy over the nature of the dōzoku. I am relying here on the interpretations of dōzoku relations given by Ariga (1962) and Yoneyama (1965).

It was extremely difficult to determine what kind of relations there were between Marumaru and its rivals. At one moment the corrugated board companies of Japan appeared to be showing each other the distant reserve of competitors; at the next they seemed to be in collusion over prices. On the whole rival companies appeared from Marmaru as remote and secret institutions. No Marumaru employee had ever worked for another major board producer, and very few knew anything of conditions at, say, Rengo Shiki, the largest of all Marumaru's competitors. (By contrast, Marumaru men had been visiting the same European and American factories for more than a decade, and their detailed reports were circulated throughout the company; middle management knew more of American practice than of the doings of the local competition). Conversely, when I visited one of Marumaru's chief rivals, I was impressed by the ignorance there of Marumaru. There were, of course, occasions when representatives of corrugated board companies had to meet and discuss matters, and I did attend such a meeting. Though all the participants had met several times before, the atmosphere was formal and everyone addressed everyone else not by name but by company - Marumaru-san, or Rengo-san. I only met two sets of people in Marumaru who had made acquaintances of their counterparts in other companies. These were the young salesmen, who used to meet the salesmen of rivals when visiting customers and sometimes stopped to chat; and certain of the directors knew the senior men of other companies for historical reasons - the monopoly corporation of which Mumei had once been part had sired corrugated board producers in other parts of the country. Otherwise other companies were distant suns, constructed of the same elements as Marumaru, but each like Marumaru - an independent centre of its own small group of subsidiaries and associates. No one at Marumaru would have thought he was making a career in an industry;

the corrugated board industry was an economic, not a social abstraction. Employees thought of themselves as working in a company, what the company did being a secondary matter.

Suppliers and customers were naturally in a reciprocal relationship. Those companies which supplied Marumaru with goods behaved towards it as Marumaru itself treated the firms which bought its boxes. The rules of the relationship were simple; the supplier was an obsequious gift bearer, the customer a casual, if not indifferent, recipient of favours. In the summer and at the New Year teams of three or four salesmen from ink companies or starch producers would call at the Marumaru factories and present their compliments to foremen and section heads as well as higher officials. The visitors would hand out calendars, towels, or boxes of beer and bow themselves out. In its turn Marumaru sent gifts and regards to its own customers. Each factory would spend the equivalent of thousands of pounds on whisky, shirts, soap, beer, and handkerchiefs for the various ranks of management in customer companies, and the salesmen would spend a week or two taking them round. The ingratiation was not confined to the gift giving seasons but continued all the year round. Salesmen and factory managers called on customers, played golf with them, took them to meals, and even found little services to perform for them. It was not uncommon, for exam ple, for the son of a senior executive of a customer company to be given a job at Marumaru so that he could acquire a little experience before taking up his vocation. The customer was at all times given the gratitude and deference due to someone who had been kind and condescending enough to buy Marumaru's products. Even the switchboard girls, as they put a customer's call through, would thank their opposite numbers for all the occasions on which they had helped Marumaru.

The relations between Marumaru and another company, ally or rival, supplier or customer, were important in determining the relations between the employees of Marumaru and any employees of that other company. Men from an allied company had to be given friendly treatment but with deference or patronage according to the status of their company within the Marumaru and Mumei groups. I have already mentioned that Mumei managers, though they bore less responsibility than those of Marumaru, were ranked higher. With men from rival companies caution was required - hence the use of company names instead of personal ones on certain formal occasions. Visitors from supply companies need not interfere too much with work, but every attention must be paid to customer companies and anyone who could be taken to represent them.

There was a second important determinant of the relations between employees of different companies, Marumaru men and others. They would deal with each other according to their relative ranks. It happens that the Japanese names for company positions, president, section head, and so on, are common to nearly all companies, and are even part of the common language. Moreover they are terms of address as well as of reference, so that a man will actually be called 'Section Head'. The use of the names therefore resembles the use of rank names in an army. If a man were the section head of a company and was called 'Section Head' in conversation, it was only reasonable to accord him a position superior to that of a sub-section head in one's own company. If there was a great disparity of size or seniority between the two companies it might be considered tactful to set aside this principle of the equivalence of ranks, though I did see some striking examples of its application. When I went for a meal with the deputy manager of a factory and the vice-president of the tiny waste paper company that disposed of the factory's waste, it was the vice president who took the head of the table.

The fact that a man was employed by Marumaru and, secondarily, that he held a certain position within Marumari, entered into all his relations with those from outside the company whom he met in the course of work. There were very few of these outsiders with whom a spontaneous relationship was possible. Indeed it was probable that contacts with people from other companies, instead of offering a Marumaru man prospects of a world beyond Marumaru, made him more conscious of belonging within his own firm. The higher his rank, the more likely this was to be so. The young men on the shop floor could play table tennis in the lunch break with the fork lift truck drivers from Maru Transport, but their foreman and the despatch manager from Maru Transport had to treat each other more circumspectly; and the factory manager and the president of Maru Transport would have approached each other with the cautious etiquette of emissaries.

If Marumaru men were thus confined within their own company by the customs of Japanese industrial society, the warrants for this imprisonment were their name cards. Every marumaru employee appeared to have the right to ask that a name card be printed for him. The company's official symbol and title took about a third of the space on the card, and in some factories there was even a little slogan. Apart from the man's name and rank, the card would bear the addresses of all Marumaru's factories. When an employee met someone from another company, he would present his card and receive one in return - for every businessman or company employee had one. He and his guest would bow, and then, after they had each studied the other's card, bow again, this time with the correct degree of dominance and submission. Before the exchange of name cards intercourse would have been hesitant; after it a new confidence would come to the conversation.

I remarked in the Introduction that Japanese companies formed discreet and independent communities. Certainly, so far as Marumaru was concerned - and perhaps a company with a less parochial labour union would have been different - relations between company members and other industrial workers were few and stereotyped. In the next section, in which we discuss the company's dealings with the world outside industry, we shall see how company members were isolated from local society.

d. Marumaru in Japanese society

Marumaru was making goods not for the public but for industry, so that even though the company was large enough to have relations with a great many industrial firms, its commercial activities had not made it known to the public. Only in those areas where it had factories was Marumaru known by ordinary people outside industry.

The region where Marumaru was best known was, of course, the prefecture of N-, and especially the town of S- within it. There the company history was thought of as the local success story. Within Marumaru, N- prefecture was thought of as home. Perhaps half the employees and nearly all the directors had come from there. I was continually being told that the men of N- were the hardest workers and the stoutest drinkers in all Japan, and that it was their formidable determination that had built Marumaru.

It was with S- that Marumaru had its closest relations with any of the local communities it had to do with. The most important official activity Marumaru engaged in in and around the town was recruitment. Local schools were regularly visited by Marumaru staff, and their success - and Marumaru's fame - were such that nearly all of the

employees who entered Marumaru straight from school came from N-. Unofficially, of course, there were a great many relations between company members and the prefecture. Every other employee had his family in N-.

I only spent three weeks in S-, too short a time to come to definite conclusions, but it seemed to me that the relations between Marumaru and its home region were limited in two ways. Neither the company as a corporate body, nor its individual members, had inclination to take much part in local life outside commerce. It was said that the Liberal Democratic Party received a donation from Marumaru at election time, but I heard of no other way in which the company benefited the community. I asked senior managers and directors, nearly all of whom, if they did not come from S-, had worked there, whether they had ever taken part in public activities outside the company. None had assumed any duties that one could describe as purely social, civic, or political, with no direct commercial connexions. Only the president appeared to have taken on any outside responsibilities at all. He had been chairman of the S- Chamber of Commerce, but had resigned because he felt there was too much to be done within Marumaru to allow time to be spent on extraneous matters.

Even if Marumaru men had been more public spirited, time and distance would have made it difficult for them to impress themselves on the local community. Like their president, employees were fully preoccupied by their work, which took up six full days a week and many evenings and Sundays. Most of the employees who came from the prefecture worked far outside it, at one of Marumaru's other factories. As their company careers progressed their ties with their native place became more sentimental and less real. Even many of those who worked at the corrugated board plant near S-, had spent three or four years outside the prefecture, during which they had lost touch with schoolfriends or neighbours.

In the factories outside the prefecture of N-, where seven eighths of Marumaru's employees worked, relations between the plant and the local town or city were even more tenuous. This was due not least to the fact that so many employees came from N-, and felt themselves to be colonists.

I mentioned a moment ago that many of the employees who worked at the factory in N- prefecture would have done a tour of three or four years outside their home areas. Transfers were one of the principal reasons for the isolation of the company from the community. Wherever a new factory was built, Marumaru would move managers and skilled workers to it from other factories. Only very occasionally did the company take on a local manager, and never a skilled workman. Indeed, it was considered quite impossible to attract workers with experience of corrugated board manufacture; and advertising for them would only have the effect of antagonizing rival companies. The managers and workmen who were transferred to new plants were replaced in their former jobs by other managers and workmen from third factories. As a result the whole company appeared to be in motion, and some men would be moved three or four times in a short career. Their chances of participating in local life during any one of their brief appointments were very limited. The men themselves became more and more engrossed in the company and the society it provided. For their wives there was only the prospect of nomadic loneliness, broken by visits to and from relatives and school friends.

Some statistics for the Yokohama factory, the one at which I spent most of my time, may give some impression of how remote from the local community the factory was, even though by the time my researches began Marumaru had been established in the area for eleven years. In October 1969 there were 114 men at Yokohama. 32 of these were from the prefecture of N-, and 37 were from other rural prefectures. Only 24 men had originally come from Yokohama and its environs. 29 of the

114 had been transferred at least once.* In the year between October 1969 and October 1970, 13 were transferred. It was true that Marumaru always recruited women locally, and that there were fourteen of them at Yokohama - most of them clerks. But women were considered transient beings who did not belong to the company at all. Though they certainly acted as intermediaries between groups of men within the factory, I did not think that they served to link the factory with the community.

In spite of all this movement within the company it might still have been possible for there to be extensive relations between company members and local townspeople. In 'The Organization Man', Whyte (1969, p 258 ff) showed how the inhabitants of Park Forest though quite as liable to be transferred as the employees of Marumaru, were nevertheless intensely involved in their local community. The fact was that the isolation of both company and employees was to some degree self imposed. It was considered right that the company should concentrate entirely on business matters and not put its energies into events outside when, as the president remarked, there was so much to be done within. In the same way, employees were expected to lead their social lives within the company, going to bars together and visiting each others' homes in the little spare time they had. A man would have been thought odd if, after several years of service, he had more friends and activities outside the company than in it.

* The proportion of people who had been transferred at least once was much higher in the newer factories. At one new factory I visited 12 out of 24 male employees had been transferred at least once and 10 of the 12 had been transferred at least twice. The proportion of men who had been transferred at least once was even higher in the main office, because main office employees tended to be of longer service than those in the factories, and there had been more time in which to experience a transfer. 33 out of 43 main office men had been transferred, 9 of them three times or more.

While I was at Marumaru there occurred in one of the factories an unpleasant episode which illustrated, if it did not actually arise from, the dissociation of the factory from its setting. The factory had been built in 1962 on an irregularly shaped plot of land surrounded by fields, within the jurisdiction of the surburban town of K-. In the summer of 1968 a second corrugator was put into the factory to increase production. The matter would not have concerned outsiders except that in the autumn of the same year a number of houses were built in the vicinity of the factory, and almost immediately the town hall began to receive complaints about the intense and penetrating noise of the corrugators.

By rights the neighbouring houses should never have been built, because their site was a piece of waste land between Marumaru's plot and a Hitachi factory and was not officially regarded as suitable for housing. Some of the houses did themselves contain factories, small workshops for one or two men which were open to the street and no doubt caused as much nuisance as Marumaru in the day time. Unlike Marumaru, however, they did not work at night. The rest of the houses were shoddy blocks of flats, two stories high, with walls of grey corrugated iron. Between them ran unpaved roads. It was also particularly unfortunate for Marumaru that the shape of its plot allowed houses within twenty metres of the corrugators. But whether or not the inhabitants had any legal rights to be there, there was no doubt that the corrugators were causing great discomfort. One of the residents described the noise as being similar to that of the siren of a patrol car whining twenty hours a day.

In 1969 a second dispute arose. Until then the effluent from Marumaru's factory had been drained away in an open unlined ditch. The residents complained to the town hall of the smells carried past their windows, and the company built a new concrete ditch to drain both the factory and the houses. But nothing was done about the major problem

of noise, even though the mayor of K- called several times at the factory and ask the manager informally to solve the problem by November. Not only was no work done on ways of cutting down the noise, but no official efforts were made to discuss the matter with those who were being discomforted. Even more extraordinary, a wall was built round the perimeter of the factory to keep children out, and to it were affixed notices forbidding entry. But the wall was too low to reduce noise; no one had thought of using it for that purpose as well as to protect the factory.

At last, in the spring of 1970, Marumaru consulted the makers of the corrugators and decided on putting a wall of sound absorbent material between the machines and the houses. Before anything had been done the mayor sent an official notice to the company requiring that the noise be reduced to specified limits by the end of October, failing which the factory would be closed. The story was passed to the newspapers, and the articles that appeared in them provoked telephone calls from Marumaru customers worried that their supply of boxes might be cut off. Under threat, Marumaru began to act a little faster. Within a few months the noisiest parts of the corrugators were enclosed in sound-proofed boxes and certain other measures were taken that brought the noise down to just above the official limit. The work was finished by February, 1971, nearly two and a half years after the first complaints. A party of journalists were invited to come and see the installations, but none of them published anything about them.

In a sense Marumaru was as much a victim of the poverty of Japanese social services as the residents themselves. It was forced to remedy matters that a better housing policy would never have allowed to arise. This is not to deny that Marumaru was reprehensibly slow in dealing with the matter. My point is simply that it would have been impossible for

Marumaru to proceed so casually with the noise prevention measures if there had been more communication between the factory and the community it was harming.

In the first chapter I quoted a director of Matsushita Electrical Industries who said that the primary aim of his company was to serve. At Marumaru also, despite the record of relations with local communities, there existed a sense that the company was working for the nation. But Marumaru's was an unphilanthropic patriotism; the company worked for Japan while preserving itself from too much contact with Japanese. And though I was naturally not able to confirm my hypothesis from my own observations, it seemed to me that other, and more famous, companies involved in pollution cases might be similarly confident of their national mission, and oblivious of their local responsibilities.

But this is speculation into a side issue. The main burden of this section has been to show how discreet a social group Marumaru was; and how an employee's relations with outsiders were limited by the fact of his company membership. We shall see many times in the course of this thesis how social relations within Marumaru were affected by the company's isolation from the rest of society. In so confined a space, quarrels and jealousies could arouse unhappiness out of all proportion to their causes. It was in order to avoid the bitterness invidious appointments might arouse that the directors, despite their attachment to the rule of merit, promoted men by age. And it was the need to maintain harmony in a closed community that required the management to yield to a union which could not strike, but could nevertheless be unpleasantly fractious.

But before beginning the main body of the thesis, I should like briefly to describe my position in the firm, the course of my research, and some of the problems I encountered in it.

e. The research and its limitations

I was introduced to Marumaru by the father of an old Japanese friend of mine who was a business associate of the head of Marumaru's sales department. The department head asked the president whether it would be possible for the unseen foreigner - I was still in England - to stay with the company for one year and participate in its life. When I later asked the president why he had agreed to my coming he replied vaguely that he would have welcomed anyone, even someone from South East Asia. After all, the company had no technical secrets to keep from me. Marumaru was very conscious of its outstanding record and continuing success. It had already published an official history to mark the twentieth anniversary of its foundation. Possibly the company was a little flattered to be asked to accommodate a foreign student, and thereby represent Japanese industry to the outside world.

Neither on my arrival nor at any other time did any senior manager show much interest in precisely what I was doing or in my motives for doing it. Shortly after I entered the company I was asked to meet the assembled department heads to tell them about myself and my work. But the principal questions - apart from the one about 'economic animals', which had serious implications - concerned any connections I might have had with the aristocracy and the cruelty alleged by a British newspaper to be shown by the Japanese to dogs. It was true that after I had been in Marumaru nearly a year, the president asked me for some comments on the company - I shall be describing my relations with him in a moment. Otherwise Marumaru management seemed content to know that I was working on 'human relations', and, in giving up very great amounts of their time, they seemed to be charitably presuming that my work was going to be of some use to somebody. I was allowed freedom to go where I liked in the company - though I was asked to restrict the bulk of my researches to the main office

and the nearby Yokohama factory, so that I would be near at hand to give English lessons and translate foreign journals. No restrictions were placed on whom I might interview, and I was allowed to read all the company documents I wanted to. Only once was I denied attendance at an event, and even then I was given a copy of the official transcript of what had taken place. I was from the beginning given freedom to publish whatever I chose, though the company naturally asked for copies of anything I might write. Yet even after a year the head of the labour department, the official most closely associated with my work, had only a hazy idea of what I was doing, and thought, for example, that I was investigating the Japanese family system among other things.

Marumaru treated me so generously partly because I had been recommended to the company by an eminent man, and partly because once having accepted me as a company member, Marumaru knew no other way of dealing with me. I was also considered too junior to be harmful. At twenty four I was only the same age as the new graduates or shop floor workers with four or five years' experience. And I was even less significant because I was a student. Japanese has an interesting word, shakaijin, or social being; no student can be one of these until he puts universities behind him and gets down to useful work.

In return for Marumaru's hospitality I was asked to teach English to the young graduates of the main office and handle English correspondence. When I first arrived there were also suggestions that I run a foreign eye over the company and point out what was being done wrong. Much to my relief, however, I was rarely consulted on anything, even on matters concerning the use of English, which I naturally understood better than anyone else. Though I was occasionally asked to check letters written in English to foreign companies, some managers whose

English was none too good sent off their letters without referring them to me. On one occasion an unfortunately worded letter to an American firm cost Marumaru a great deal of time and money. I was not overlooked for personal reasons; it was simply that there was, as I shall explain later, little recognition of specialist knowledge, and it was assumed that nearly anybody could do nearly anything.

The president of Marumaru, with whom I had a very amicable relationship, did interview me to find out what I thought of the company. He was interested in topics that had not been of great moment in my research and I would have been unable to offer him sound advice even if it had been my duty. My chief recommendation was that Marumaru try to improve communications both informal and formal between main office and factories, and within each factory. The suggestion was not original; the union had been campaigning for great exchange of information for years. The president also asked me to draw up a plan for the systematic training of managers and workers. Even if I had had the qualifications and experience to construct a plan, the company had not yet decided on any policy of employment towards which a training plan could contribute. Nevertheless I produced a plan more or less straight from the text books. I think it unlikely that it did or will influence the development of training at Marumaru.

I began my work in the main office. I was given a desk in a section of the research department where there were four senior managers and there were only two people, one of them an office girl, who did not hold management rank. I stayed there for six months studying the history of the company and its formal organization. The personnel department (its name in Japanese meant 'labour affairs department'), was separated from my office only by a moveable partition and I usually left my own desk and spent most of my day there.

I had no difficulty in mixing with the people in the other departments, because their managers were most generous in the hospitality they showed me, and because I was teaching the younger members of the departments English.

After six months at the main office I was studying the union. The union office was in the grounds of the Yokohama factory, and there the union secretary worked by himself. I was worried whether my early associations with upper management might not prejudice my chances of establishing good relations with the union, but in the event the union was even more hospitable than the company itself. The union representative in the main office introduced me to the union secretary and to the senior union members who worked at the Yokohama factory at a most successful dinner party. Shortly afterwards I moved into the union office and spent three months there. During that time I was able to observe the way the union went about obtaining the annual bonus and the annual rise in wages. Once or twice a week I visited the main office to teach English and to keep myself in touch with what was happening. And in order to prepare for my researches into the factory I joined in the lunch time games of shōgi, or Japanese chess.

By the time I entered the factory I had come to know many of the shop floor workers. The company was unwilling for legal reasons to allow me to handle machinery, so that there was little possibility of my becoming a worker, even if only temporarily. Though I no doubt lost much information by being constrained merely to observe, the noise from the corrugators was so great that it would have been hard to enter into discussion with my fellow workers. Another disadvantage was that the only place where I could sit was the foreman's hut; by I think my age, my previous associations with the union, my interest in chess, my joining the mountaineering club, and my appetite for night life,

all helped prevent my being identified with foremen. I was also careful to spend much of my time during working hours wandering round the shop floor, talking to those sufficiently far from the corrugator to allow conversation to take place. And, again, I attached myself to the shift in which I knew the greatest number of young people, and stayed with them through a shift cycle. During the whole course of my research I used entertainment as a means of eliciting trust and information, but in the factory my visits to bars with members of the company became more important than ever. Even after I had moved on to other sections of the factory I tried to spend as many evenings as possible with 'my' shift team on that one week in every three when they worked normal hours and could go out in the evenings.

After two months on the shop floor I turned to the factory office, first joining the factory labour department and eventually moving on to a sales team. Then, in the early spring of 1971, I went on a tour of two of the other factories. I spent a week at a small rural factory in the North of Japan, chosen because I supposed that it would be as different as possible from Yokohama. From there I travelled to the prefecture of N- to study a number of problems associated with the factory near Marumaru's home town. The tour not only enabled me to see what was happening elsewhere in Marumaru; it also provided me with useful information about the Yokohama factory. Many of the employees in the other factories had spent some time at Yokohama and they were able to speak more freely about their experiences there than if they had still been working at the factory.

I had timed my visit to the N- factory to coincide with the annual intake of recruits from schools in the N- area. Each year

the company brought its recruits up to Tokyo on the express train from N-, and I arranged to return to Tokyo with them. For two weeks I joined the induction course of those recruits who had been assigned to the Yokohama factory, attending lectures, and living with them in the company hostel.

The study of the way school leavers were introduced into Marumaru ended my programme of fieldwork. I had attended the company for fourteen months, but now I withdrew to sort out my notes and read books and journals. Nevertheless I remained in touch with Marumaru and its employees. During my last six months in Japan I visited two of Marumaru's factories which I had not previously had time to see, as well as the factory of one of its greatest rivals; and I continued to meet the friends I had made during my stay with the company. Even after I had returned to England and begun writing this thesis I acted as host to Marumaru directors visiting England on business, and put up a young man who had left the company to travel around Europe, besides exchanging letters with informants still in Japan.

My researches into the social life of Marumaru were limited by a number of circumstances - my own qualifications and attributes, for example, which influenced how I was treated and how I chose and handled my information. I believe my youth was a great advantage; I posed no threat to the management, and was able to mix easily enough with the workers, the majority of whom were young. I should note, however, that I had a little difficulty in dealing with the youngest men in the factory, aged between fifteen and eighteen. They appeared to treat me with the caution due to an elder, and they, more than the others, remained conscious that I was alien even after they had become used to me. Though my age encouraged Marumaru members to accept me as an individual, it may have been my age which, among other things, prevented me from formally interviewing younger people. After one unfortunate session I decided not to risk

interviewing company members below the age of thirty. Instead I got my information from the questionnaire returns and from informal discussions in bars. I was able to continue to interview managers and older workers, taking care to pose more as student than sociologist.

I think, also, that my being a foreigner greatly helped in my research. Very few members of the company had ever spoken to a foreigner before meeting me, and in each new part of the company I entered I was received with curiosity and kindness. Far more important, the fact that I was foreign made it impossible to place me in a community very conscious of status; I doubt whether a Japanese researcher could have passed with such facility from the company of directors to that of young shop floor workers. Every so often I would be made aware of an employee's xenophonia - one man told me that he abhorred the 'Great British Empire' but I do not think that my nationality greatly affected my informants. Britain is so remote and has been so insignificant in Japan's recent history that a Briton is one of the more neutral kinds of foreigner in Japan. And since nearly everyone at Marumaru was aware of Britain's commercial decline I do not think that anyone feared shame or embarrassment as a result of my enquiry into the workings of the company, or that pride induced any of my informants to keep the company's defects from me.

The impression I made on Marumaru may have caused me to be given one kind of information or another, but I do not think that my persona limited my access to information nearly as much as time and geography. I heard so much from so many people of different opinions and points of view that my problem was less that of missing some of the sides of a story than of reconciling those I was given.

Language was, however, a major difficulty. When I arrived at Marumaru my facility for Japanese was limited. I could understand

conversations of moderate difficulty on everyday subjects, and read books and newspapers with the help of a dictionary, but I was bemused by rapid discussions about management or industrial relations, and I found the recondite company documents difficult to follow. By the end of my stay, of course, I had not only had the opportunity to practise my Japanese, but I had gained knowledge of the industrial context, and in my last few months with Marumaru I was only occasionally embarrassed by failure to understand what was going on.

I mentioned a moment ago the limitations put upon my work by time and geography. Marumaru was a company of one thousand people distributed over several provinces, and it would have been impossible for a single observer to have examined social relations over the whole company in the course of a year. I concentrated my study on the head office and the Yokohama factory. Those parts of Marumaru were chosen for me, but if they had not been I would probably have chosen them myself - the main office because it was the centre of Marumaru, and the Yokohama factory because it was near, because it was large and efficient and therefore a significant part of the whole company, and because it had been established long enough for social relations to have become settled. But Yokohama, like the other factories, had its own peculiarities, and it would not do to suggest that everything I saw there was typical of Marumaru. I have tried to distinguish throughout this thesis what was true only for Yokohama, and what my visits to other factories, my examination of their documents, and hearsay, suggested to be true not only for Yokohama but throughout the company.

The choice of the Yokohama factory as my chief area of study effectively excluded the home life of employees from my subject matter. Because Yokohama had been built in Marumaru's early days, there had not been enough money to build company houses for married men; the very few

that had been bought over the years were, like the private houses of employees, scattered all over the city. It would have been quite impossible for me to visit employees' houses systematically, though I was invited to the homes of more than forty employees from different parts of the company. It was also helpful to me that my small flat, found for me by an employee, happened to be two doors along from the house of a head office manager.

Even if there had not been difficulties of time and distance I believe I would have been justified in excluding the family lives of employees from my investigation. Vogel (1963, p 35ff), who studied family life to the exclusion of works relations, has emphasized how very separate home and work are for the 'salary man', or company employee. In a sense the families of employees were part of the company community. An employee's dependents were officially recognized as Marumaru's responsibility. He would be paid a monthly allowance for his wife and each of his children, and, if he was very lucky, he would be given a company house of a size to fit his family. If his wife or any other close member of his family died, large numbers of his superiors and colleagues would be given the day off to attend the funeral. In all this, however, the company was merely expressing obligations to its employee. Informally, wives took very little part in the social world of the company. Many of the wives I met did not know in detail what their husband's job was. Very few had met more than one or two of their husband's superiors or colleagues - those same superiors and colleagues who would have come to mourn a wife's death. Wives used to tell me that they were too busy to worry about their husband's work; and many employees seemed reluctant to allow their wives to involve themselves with the company because they did not want to 'mix home and work'. Even those wives who had once worked at Marumaru themselves appeared to have lost interest or perhaps to have beendiscouraged from taking an interest in Marumaru.

There were a few families in which the wife seemed to be aware of what was going on at Marumaru. At one small factory I heard that some employees had asked for a company outing or party to which wives could come. And during 1971 the company built a block of more than a hundred company flats in the Tokyo area. The families who lived in them were gradually coming to know each other, though I was surprised at the number of wives who still had not met the wives of their husband's closest colleagues even after months of living near each other. The chief disadvantage of company housing was thought to be that wives would indeed get to know each other, and company gossip would be carried into the home; and there is no doubt that most of the families in the block were anxious to preserve their privacy. (cf Vogel, 1963, p 106). The block was only finished four months before I left Marumaru, and perhaps if I had stayed on in the company and moved to the factory to which the block was attached, the home life of employees would have had a more significant place in this thesis. But during my period of study it remained true in every part of Marumaru, but particularly in the Yokohama factory, where the same problems of distance that prevented my systematically visiting homes contributed to the separation of home and work, that families were attached to, but not part of, the company community.

If I lost little through not having been able to carry out a systematic study of the home life of married employees - I did, as I have said, receive entertainment from some dozens of families - it was a serious handicap that I was not able to see more of the hostels where unmarried male employees lived. The difficulty was not that the Yokohama hostel was far away but that it was overcrowded, and some of the younger boys were sharing tiny rooms too cramped for one. The company did arrange for me to spend two weeks in the Yokohama hostel,

and I was accommodated in the hostels of three other factories during my visits outside Yokohama. I did therefore get a glimpse of hostel life, and I learned enough in my short stays to persuade me that I would have understood the company better if I had been able to stay longer.

f. Conclusion

A comparison of Marumaru and Cole's Tokyo diecast factory would reveal three main sets of differences. The diecast industry was not expanding nearly as fast as that of corrugated board, and the particular diecast factory Cole studied was slowly running down; moreover, it had recently been taken over by a new and forceful management whose presence was resented by the workforce.

At Marumaru, by contrast, there was a young and successful president who had led the company for twenty years and had gained the respect and even the affection of the employees. Finally, the diecast union was militant and interested in politics; that at Marumaru was committed to co-operation with management and was quite apolitical.

The situation at Marumaru was, it would appear, more like that at the motor components plant where Cole spent a month. The motor components industry, and the plant in question, were both expanding rapidly. The workers at the factory, like most of those at Marumaru, were from the country; and a large number of them were young batchelors. The union was moderate - it had replaced a militant union in the same way as that at Marumaru - and the labour-management relations were good.

On the other hand there were ways in which the diecast plant resembled Marumaru. Its size, for example, was almost the same as that of the Marumaru Yokohama factory - the two were within a few

kilometres of each other. The motor components plant, however, was situated in the country. The scale of the operation was very much greater than that of any Marumaru factory, and its production methods depended on assembly line working, which did not exist at Marumaru.

No doubt as more work is done on Japanese companies, conditions within them will come to appear more and more diverse, and Abbeglen's notion of <u>the</u> Japanese company, or even the large Japanese company, will be less easily tenable (cf Cole, 1971, p 62). Instead researchers will concentrate on analysing the variation with particular circumstances of organization and behaviour in Japanese firms.

The second purpose of this chapter, after that of detailing the particulars of the company, has been to suggest how isolated it was from the rest of society. I have tried to explain how limited the associations of Marumaru members were, both with other people in industry and with the local communities in which their workplaces were located; how completely they were engrossed in the world of Marumaru. In the next chapter I shall be describing this world, and saying how people joined and left it.

CHAPTER III THE COMMUNITY AND THE LABOUR MARKET

a. The community and its values

So far I have been emphasizing how isolated Maramaru was, and how limited the relations of its members were with outsiders. The sense of isolation no doubt contributed to a compensatory sense of cohesion. But there were other, more positive ways, in which Maramaru members were brought together in what could justifiably be called a community.

Anthropologists are not agreed on the definition of 'community'. Murdock (1949, pp 79-90) considered that for a social group to be a community it was necessary that all its members know each other. There were a few people at Marumaru who did not know every one of the thousand or so employees in the company, and any man of seven or eight years standing would have known the majority of his fellow employees, including, for reasons that will shortly appear, those who worked in other factories. But a large number of people would not have known more than a quarter of the people in the company, and Marumaru would not, therefore, have qualified as a community in Murdock's sense.

On the other hand the Wilsons (1965, p 30) defined communities as 'areas and periods of common life of more or less intensity', whose boundaries are 'the boundaries of many sided relationship; extra-communal relations are one-sided and tenuous'. If this definition were accepted, Marumaru would certainly count as a community.

I myself would want to define a community as a body of people with common activities, aims, and values, whose members have greater intercourse with each other than with outsiders. In this section I shall try to show why Marumaru was such a community.

Maramaru, of course, was an economic unit, in which everyone was dependent for his livelihood on the efforts of everyone else. Not only did this dependence exist but it was acknowledged; it was thought that Maramaru was in relentless competition with other companies, and that there was no room for lethargy or slackness. I have already given some of the evidence for and against the existence of severe competition in the corrugated board industry, but I am unable to say how far it affected Maramaru. Whatever the economic truth, the idea that Marumaru was in competition united the community.

Rapid economic growth was generally considered a right and proper goal. Only by growing larger and obtaining a better share of the market could Marumaru afford to pay its employees more and provide them with better facilities. It was also realised that the company, and therefore its employees, would achieve recognition in Japanese society if it grew bigger and economically more powerful.

Marumaru was a community too, in that its members acknowledged a common code of behaviour. Status was regulated by a system of ranks and grades which applied in every part and functional unit of the company, so that every company member, employee or director, knew his position relative to every other. I shall be discussing this status system in more detail in the next chapter.

Maramaru members had a strong sense of history. The first lecture of the induction course for new school recruits concerned the company and its rise to eminence in the industry. This history was conceived in personal terms, since most of the people involved in it were still working for the company. Maramaru members had surprisingly accurate memories for who had preceded who in which job, and what achievements had been registered in the time of this or that factory manager.

Above all the people of Marumaru were agreed that there should be a community, that relations between company members should not be superficial and simple, but intense and multifarious - though it was true that different sections of the community differed as to how extensive community relations should be. The intent of unity was expressed in many formal ways, but chiefly by the wearing of company uniforms and insignia, and by attendance at company ceremonies and outings. Company or departmental celebrations took place almost monthly. At Foundation Day and at the New Year, everyone would gather to receive presents and listen to the speeches of the president and of the factory or department manager. There was a weekend outing for each factory and the main office once a year, and there would be at least two other occasions when the department or factory section went out to dinner, or to the sea or a bowling rink. Though no one thought it fun to have to sit in a long row in order of rank and listen politely to the conversation of seniors, there was always room for enjoyment at these events, and it was a frequent complaint that there were not more of them.

There were also more informal indications of the belief that the company ought to be a community. People at Marumaru frequently spoke of the need for 'good human relations' (ii ningen kankei). 'Good human relations' were rarely defined - and their definitions would have differed according to the speaker - but they would have involved amicable relations between equals, and firm but friendly treatment of subordinates by superiors. A man in charge of a department was held responsible for fostering 'good human relations' in it, and was considered to be a most important part of his job to smooth away any unpleasantness or ill feeling that arose in working hours or out of them.

Relations between company and employees, and among employees, ought, it was assumed, to be not merely harmonious but also durable. Ideally, a man should enter the company young and stay with it until retirement. In fact, as we shall see, large numbers of employees did leave Marumaru; but their leaving was considered evidence of a malaise. Some people thought that the leavers were lacking in the moral sense that should have impelled them to stay. Others, including the leavers themselves, considered that employees were being driven out, despite their intentions of staying, by the defects and deficiencies in the community, and especially the lack of good human relations. Everyone was agreed, however, that it was better that people should stay than that they should leave, not merely because both company and employee gained materially by long association, but also for moral reasons.

In the first chapter I noted that there had been some controversy over the existence of moral loyalty to Japanese companies among their employees. Abbeglen had supposed that employees were bound to their employer by absolute moral obligation. Mannari and Marsh, however, were unable to find any proof that moral loyalty existed in the company they studied. They concluded that men remained in Japanese companies entirely out of self-interest. The sentiments of those at Marumaru, as, I suspect, of most company employees in Japan and perhaps elsewhere, lay between these two extremes. People did feel an obligation to stay, but only under certain conditions.

If these common ideas, aims, and values characterized the community its unity was enhanced by a number of circumstances. Though its plants were dispersed all over Japan, the company was an administrative whole. All the employees were subject to the authority of the directors, and these in turn were responsible to the shareholders.

Partly as a result of historical accident, but also as a matter of policy, Marumaru had adopted a markedly centralized form of administration. The organization and control of the factories was made as standard as possible - there had even been a directive specifying what factory managers should do every hour of the day. Most matters of concern to employees, wage rates, the standards of company housing, promotions and transfers, even the settlement of some local grievances, were all decided on at the head office. Moreover the organization of the labour union was similarly centralized. Employees in different parts of the company had a great variety of interests in common and carried out many of their activities in a common context.

Moreover the way in which Marumaru was administered enabled people from distant factories to remain in personal contact with each other. There were many conferences and committees requiring the attendance of representatives from different plants. Most of these conferences were arranged for middle management, but shop floor workers also had an opportunity to meet their counterparts through the union. The union general meeting, held once a year, brought together some sixty delegates from all over the company; and once a month there was a meeting of the union executive committee, on which each plant was represented. There were also numerous occasions on which employees visited other factories than their own on business. Again, though it was managers who had most opportunity to see other plants, senior workers would also be sent to particularly efficient factories to see how things were done at them. Five or so workers from the Yokohama factory were sent on trips to other factories in the course of a year.

The policy of transferring employees between factories was also most effective in preserving the unity of the company. I have already given some figures of men transferred at Yokohama. The table below

shows the number and proportion of men transferred from the principal factories of Marumaru over three years:

Table III.1

Year	Men transferred over year	Total men at end of year	Crude transfer rate
1970	97	732	15.4%
1969	49	580	8.5%
1968	43	498	8.6%

The cumulative effect of moving ten per cent of the population of each factory every year was, naturally to keep members of the company in touch with each other and to prevent any factory from establishing a social order independent of the rest of the company.

Another company policy which contributed to the cohesion of a geographically scattered society was that of recruiting as many people as possible from N- prefecture, and preferably from certain schools there with which Marumaru had historic connections; and of preferring applicants for entry who had relations with existing company members.

More than a third of the people of Marumaru came from N-. The company had many sentimental connections with the prefecture, even though, as I have said, Marumaru took little interest in civic affairs, and employees from N- who were exiled by transfer soon lost contact with the region. A flower from N-, stylised, however, out of recognition, formed part of the company badge; and N- songs were sung at drinking parties and company outings. I only met one employee from another part of the country who disliked what he saw as the domination of the company by People from N-. It was not thought that those from N- had any great advantages over others in, for example, matters of promotion, and there were few employees who found it unacceptable that Marumaru should have a mild regional flavour.

A very high proportion of employees, including those who did not come from N-, had relatives or sponsors within the company. Marumaru encouraged employees to recruit among their friends and relations on its behalf, and some of the senior directors in particular recommended nephews, cousins, and sons of old schoolfellows in profusion for entry into the firm. Perhaps two thirds of the men at the Yokohama factory had what were known as 'kinship relations' (enko kankei), or 'connections' (kone) within the firm or in associated companies. In the main office there were proportionately even fewer people who had not received some form of sponsored introduction to Marumaru.

Even an employee who came into Marumaru friendless was able, once inside the company, to enter into an association with a senior by asking him to officiate as ceremonial 'go-between' at his wedding. Relations between go-between and bridegroom, like those of sponsor and successful applicant, were of mild patronage on the one side, and deference and obligation on the other. The senior man would take a friendly interest in his junior's career; the younger man would consult his senior over difficulties at home or work, and would mark his obligation by visiting the senior's home at the New Year, or at least by sending a New Year's card.

The numerous 'kinship relations' and 'connections' between company members naturally provided links between different parts of the community. In particular, they had the effect of interesting old and young, seniors and juniors, managers and workers, in each others' activities.
However little a director, for example, actually saw of the shop floor in each factory, the fact that he had one or two proteges working on machines in this or that part of the company enlivened his concern for problems of shop floor working conditions. Conversely, his relations with a senior manager, even one he rarely saw, gave a young factory

worker a sense of involvement in what would otherwise have been the remote workings of management, enabled him to express the history of the company in personal terms, and lent significance to the many items of gossip he would hear about things at the head office or the other factories.

Yet another circumstance in the consolidation of the Marumaru community was that so many company members lived together in company houses and hostels. Just as it was company policy to transfer employees and to recruit people with company associations, so it was also company policy to provide employees with accommodation. Originally, the company had been too small to offer company housing, but the first company houses were built within six years of Marumaru's foundation. The houses and hostels were built partly because it was thought that by offering accommodation the company would attract recruits and discourage people from leaving, but their construction also expressed the company's intention to emulate the paternalism of large Japanese firms.

By the time I arrived at Marumaru more than half the employees were in company houses or hostels. Even those who were living in their own flats had usually spent several years in hostels before marrying and setting up house. In living together with them, men came to know their colleagues very thoroughly indeed. Most of my informants, who knew the ages, dates of entry into Marumaru, and promotion records of everyone they worked with almost as a matter of course, also knew a great deal about the personal lives of their work fellows, their hobbies, their 'connections', the details of their school or college careers, their foibles and their tastes.

Though they lived together, worked together for a common purpose, agreed on certain principles, and were bound up in each others' lives, the people of the Marumaru community were of many different types -

men and women, young and old, more or less well educated. They were also distributed throughout the company in a great variety of posts. Finally, individual company members were competing against each other for success within the company. There was every opportunity, therefore, for all sorts of differences of opinion and interest to arise within the company.

At the end of this chapter I shall be drawing a distinction between those who could leave Marumaru, and even gain by doing so; and those for whom leaving was more difficult, because the prospects of finding work outside Marumaru were so limited. But first I shall describe, in the next section, how people joined the company, and then how, and under what circumstances they left it.

b. Joining the Company

In its early days Marumaru had taken on new people by casual and unsystematic methods of recruiting, but as the company had grown larger it had put more and more effort into 'traditional' means of recruiting, that is, recruiting straight from school or college.

The directors, all but one of whom had passed chequered careers in a number of jobs before joining Marumaru in its early days, were convinced that it was best to recruit from schools and not to take in people from other companies. There were two chief reasons why school recruiting was favoured. The first was that because Marumaru, like most Japanese companies, paid workers roughly according to age, it was cheapest for the company to employ as many youngsters straight from school as possible; they would do the same amount of work as men of forty, and receive only half the wages. The financial

advantage of school recruiting was, however, diminishing because school leavers were in such short supply that the cost of attracting them had risen very steeply. By 1970, it was costing 500,000 yen to recruit a single high school leaver.

The main reason why Marumaru took such pains to recruit workers from school, however, was cultural rather than financial. It was thought that young people who had never worked before joining the company would fit best into the Marumaru community. They would not have acquired experience elsewhere which would prejudice their receptiveness to what they were told at Marumaru; and since they would be starting at the very bottom their entry would not adversely affect the positions of those already in the company. Finally, school recruiting was a customary practice among companies of Marumaru's size, and in adopting it Marumaru was, in a sense, asserting its newly gained place in Japanese industry.

Unfortunately for Marumaru's plans, no sooner had the company achieved the size and stature necessary to attract recruits from schools and colleges, than a shortage of young workers developed. As I explained in the first chapter, the shortage was caused by the fall in the birthrate after the war, but it was made particularly acute for companies hoping to recruit schoolboys by the fact that more and more schoolchildren were going on to some form of higher education.

Ideally, Marumaru would have wanted all its recruits, graduates and others, to have come into the company in the same way, in response to the same methods of recruitment, and with the same gratitude at their admission and eagerness to serve their new employer. Thanks to the labour shortage, however, entry into Marumaru took three different forms. There was the school entry, the graduate entry, and the intake of workers from other companies, for each of which the circumstances

were rather different. The proportion of employees taken in by each method can be seen from the figures for the 1970 entrants:

Table III.2

Education

	Middle High School	University	Total
Straight from school	49	26	75
From other companies	81	5	86
Total	130	31	161

A. The school recruits

The harder it became to find schoolboys who wanted to join Marumaru, the more energy and money the company put into school recruiting. Originally Marumaru had been able to rely for recruits on certain schoolmasters, who would suggest to one or two of their more eligible charges that it might be a good idea for them to apply to Marumaru. But as the shortage of school leavers intensified, large firms began to send personnel managers and other staff to the schools of N-. When I visited one of the schools of the prefecture, a school of six hundred boys from which Marumaru had usually received two or three applicants each year, I was shown the visiting cards of more than nine hundred company representatives, many from well-known companies, and several thousand recruitment pamphlets. I was told that many representatives brought small gifts and souvenirs for the careers master. To maintain its place in the N- labour market, Marumaru had to assign one member of the labour department to full-time recruiting duties in the prefecture,

and to send staff from the various factories on periodic tours of N- schools. The company also began trying to attract recruits from schools outside N-, in the contiguous provinces and in the localities of the factories.

At the same time the entrance qualifications were made easier and easier. At first Marumaru had required all applicants to sit an examination, but when it became clear that the company was no longer able to pick and choose, the examination was waived for school applicants, though retained for graduates. Instead, schoolboys were merely asked to write a short essay about their families. Later even this requirement was dropped. Again, it had been the practice to have new school entrants pass through a period of probation before becoming full company members, so that if, despite the originally elaborate selection process, a recruit proved unsuitable he could be got rid of without the company's having to break its implicit promise not to dismiss employees. In 1970, at the union's instigation, though with some reluctance, the management ended the probation system.

Once the recruits had signed on, enormous trouble was taken over their welfare. They were brought down together from N- at the end of the school year by three men from the labour department. Marumaru also offered free return fares to any parent of a recruit who wanted to see the conditions under which his or her son was going to work. The recruits destined for Yokohama were met at Tokyo station and brought in a bus to the factory, which had been decorated for the occasion with bunting and notices of welcome. They (and their relatives) were met and welcomed by the factory manager, offered lunch, and shown round the premises.

Training was far more an introduction to the community than a technical course. It began with a ceremony at which all the managers of the factory, and even a director from the head office were formally introduced to the new entrants. The first lectures, given by the factory manager himself, concerned the history of the company and its organization, and they were followed by talks on how Marumaru employees should behave, the rank and pay systems, welfare benefits and the social life Marumaru offered. It was not until the third day of a ten day course that the new employees heard about the machines they would be using; and the relatively few technical lectures there were were given by foremen and were of poor quality.

Perhaps the main theme of the course was that the new entrants were now shakaijin, 'men of society', or 'citizens'. In gaining positions at Marumaru they had received a chance to serve society and to earn its esteem - the implication being that working for Marumaru was a way of contributing to society as a whole. In expounding this theme one of the managers at Yokohama remarked on how undesirable it was for companies to pollute the environment; society would reject companies that caused public nuisances, just as Marumaru itself had been ostracized over the noise problem at K- Factory.

The new entrants were introduced at the same time to the life of the company hostel. They were given into the care of a senior hostel member, who discharged his responsibilities by taking them on runs in the early morning and evening. Individual entrants were also assigned 'elder brothers' from among their elders (senpai), but many of these 'elder brothers', partly because they were doing shift work, and also partly because they had little to say to men six or seven years their juniors, took little interest in their charges. A large party was given to welcome the new entrants to the hostel. At this they were each required to introduce themselves, their hesitant pronouncements

being greeted by good-humoured banter. Then each of the seventy hostel members introduced himself in turn, to the accompaniment of jibes which would have been quite incomprehensible to the bemused newcomers. Later in their first week the recruits were taken on an outing to Mt. Fuji with their 'elder brothers', and on an evening trip to see the lights of Tokyo.

The attention lavished on the new school recruits was wasted. The festivities in their honour - no bunting was hung for the accession of a new factory manager, or, indeed on any other occasion - the cost of trips and excursions, and the expense of management time, none of these was able to prevent high school recruits from leaving within a year or two of joining. The more energy the company put into recruiting and keeping high school boys, and the more the pampered youngsters continued to take their leave within months of entering Marumaru, the more contemptuous became the attitudes towards the recruits of those managers who had to deal with them. A labour department official in his thirties wrote in his confidential report about a recruitment visit to a certain school in N-:

> 'As the teacher was talking I fell to thinking of the defects of present high school education, which raises feeble people who wriggle out of everything they don't like. In my own field I'm always hearing complaints about overtime and night work, and there are young people who have never heard of endurance who come running along with their resignations. Of course working conditions have to be improved, but there are few enough even among the older and more senior workers who realize how much common effort and purpose is needed for just that. Recruitment is important, but keeping the recruits is more important. If there have been any gaps in the education they have received we shall have, here in the workplace, to raise their morale as workers. Even if we go in for a policy of having a few, well qualified people, that will be the starting point'.

Not all managers would have agreed with this opinion. It was unlikely that the spinelessness (as Marumaru managers saw it) of the high school entrants was due entirely to their education; for the graduates, who had passed an even longer time within the education system, were far more willing to please and more resolute than the high school recruits. The difference between high school and graduate recruits was, of course, that the former were in short supply, and just as they were difficult to recruit in the first place, so they were able to leave the company at almost any time and get good jobs elsewhere.

For whatever reason, the new high school entrants were able to take a very nonchalant view of Marumaru's offer of a job, security and a place in society. One young man in the 1971 high school intake, a man moreover who had a father in the company, arranged that his girl-friend should meet him at Tokyo station on the morning he arrived in the party from N-. Posing as his elder sister, anxious to see how Marumaru would look after her brother, she joined the party of recruits destined for Yokohama, and had herself entertained at the factory with the genuine relatives of recruits. Her boyfriend left the company within two months, dismissed for taking two days off work to go to Tokyo. His case was, of course, very unusual, though by no means unique; I met other new entrants whose attitudes to the company was only slightly less cavalier.

Thanks largely to the labour shortage, therefore, school recruiting at Marumaru was an expensive and inefficient method of obtaining a handful of people, many of them unwilling to stay, and apparently unsuited to community life. Yet so firmly were the management convinced that school recruits were the best available that Marumaru not only continued to put more effort into recruiting schoolboys, but continued also to neglect other forms of recruitment, notably recruitment from other companies.

B. The graduate recruits

We saw in the first chapter how, as more and more schoolchildren passed on to higher education, ever greater numbers of graduates were coming on to the labour market. While Marumaru was having to work so hard to recruit school boys, it was still not necessary (although it might have been wise) to send representatives to universities to attract new graduates. When I visited Meiji University in Tokyo, which had supplied more than ten percent of all Marumaru's graduates, the company's recruiting brochure was not even on the rack in the careers room. Marumaru was still relying largely on personal contacts for its graduate intake; but it was becoming apparent that more systematic methods of recruitment might have to be introduced. Where in the mid-nineteen-sixties virtually every graduate entrant had been related to someone in the company, or in a subsidiary company, or else had had some association with a senior director, by 1970 less than half the applicants, and between half and two thirds of these actually accepted, had been similarly 'connected':

Table III.3

Graduate Applicants

	With Connections	Without Connections	Total	Admissions
1970	16	31	47	24
1969	17	21	38	26

Not all those applicants 'with connections' were admitted to Marumaru. In 1970, for example, two applicants with brothers-in-law inside the company were refused admission. On the other hand it was likely that some of the applicants who failed to mention any connections

on their application forms did nevertheless have strong associations with Marumaru. I met one member of the 1970 intake who had an uncle in the firm but had not declared the fact - no doubt it had been known to the labour department and to the directors who actually made the selection. There were noticeably fewer sponsored applicants with science qualifications than with arts, and Marumaru had begun to search for scientists and engineers in colleges and universities with which the company had no previous associations.

It is said to be common for large Japanese companies to restrict their graduate recruiting to a few universities, and to attach great importance to the recommendation of certain professors within those universities. (Abbeglen, 1958, p 31; Nakane, 1970, p 113). Once inside the company, graduates from the same university and with obligations to the same professor form a university clique, or <u>gakubatsu</u>. There seemed, however, to be no university cliques at Marumaru. The company took in a few graduates each year from each of a large number of universities*, so that there was no question of the alumni of any one university's predominating in the management

* It was, of course, quite impossible to prove the absence of university cliques merely by statistics, but the table below shows how even universities with many graduates at Marumari failed to provide any recruits for years at a time, and how their share of Marumaru's supply of graduates was falling all the time.

University	Alumni in co.	1964	1965	1966	1967	1968	1969	1970	1971
A	25	-	-	2	2	2	5	-	-
B	22	3	-	-	-	2	3	1	-
C	21	4	2	1	1	-	-	4	2
D	18	2	2	1	1	1	5	2	2
E	15	2	1	3	2	2	2	-	-
F	10	-	1	1	-	2	2	-	-
G	8	1	2	-	-	-	1	1	-
H	7	2	-	1	1	-	-	-	1
I	7	-	1	-	-	1	1	2	4
Other	68	1	n.a.	5	-	5	7	14	14
% of intake from top nine		88%	n.a.	64%	100%	67%	73%	42%	42%

In any case the control of Marumaru was very much in the hands of the president and the senior directors, so that middle managers were not able to influence the promotions of their junion co-alumni; and many of the senior directors had not themselves been to universities, and were therefore most unlikely to look with favour on the growth of university cliques.

The graduate applicants behaved just as the company expected them to. They viewed themselves as half formed creatures waiting for company membership to make them whole. It was significant that only two or three of more than forty candidates wore ties and suits for the interview, the rest appearing in college uniforms or in open necked shirts. I was told by a member of the labour department that such dress, which no graduate member of Marumaru would have thought of wearing on a formal occasion, was quite acceptable for college students. Very few of them, he said, would have possessed suits - yet nearly all the applicants were from expensive private universities and could, no doubt, have afforded more formal dress.

The best evidence of the candidates' attitude of mind came from their entrance essays. For Marumaru a man's background was at least as important as the man himself, and though a successful candidate had to achieve decent results in the ill-contrived examinations set by the labour department with the help of certain managers, what really counted was the essay and the interview with the directors, much of the interview being given over to discussing the essays and the candidates' biographical details. For many years the subject of the essay had been the same: 'My Family'.

If there was one theme running through all the fifty or so essays I read it was that the man's family was fading away as its members left to work or marry, and he himself had been preparing to enter the world

by learning the world's values, usually through joining university clubs. 'Coming out into society', a phrase which recurred again and again in the essays, was invariably equated with entrance into the company, the group that would replace the family in the man's affections.

The candidates were ready to admit their immaturity:

> In ability to get on with people, in positiveness and so on, I'm still a child beside my parents
>
> Perhaps because I have been over-protected I am a little spoilt
>
> or
>
> I am a little too carefree: and I might be a little naive

But the candidates were already overcoming these symptons of parental indulgence:

> at high school I spent my time on nothing but judo; I hoped to cultivate some qualities I couldn't get at home - positiveness, the ability to co-operate, patience ...
>
> ... when I entered high school I wanted to do some sports and build up body and spirit. I discussed it with my parents but they were very much against it. Up till then I had been pampered as an only child and I knew that I had a rather weak character. So joining the boat club required a little courage. I argued my parents into submission, and when I joined the boat club I felt the weight of my own responsibility pressing on me for the first time ... I joined the boat club so as not to be over protected by my parents, and so as to develop a strong spirit and body, but it seems to have become a source of worry to my parents. Perhaps they feel something is lacking. For myself I am quite happy and I intend to go out in the world in a prepared frame of mind. But with my parents I do worry a little about my academic record...

and a slightly more intellectual version of the same story:

> ... to keep in touch with the humanities I joined a cultural circle. In this I took on the jobs of treasurer, chairman and representative secretary ... This gave me a sense of responsibility and leadership ...

Most of the essays went on to say that the candidates were looking forward to making their contribution to society - if possible, through their work in Marumaru:

> As a product of the M- Family I think that I can serve my family best by going out into the world and working as hard as possible to contribute to a company and to society

But there was one particularly interesting essay which I shall quote in full because it showed how its author had shifted his loyalties from his home to what he himself described as a surrogate family:

> I only return home thirty days a year, and family life being what it is now, I should like to write about my life in the hostel, which could be called my present home. It must be thirty years since the hostel I live in was built, and now it's a run down building which looks as though it will collapse shortly. Anyone who saw it would ask 'Do people really live here?' I adopt the policy 'sumeba miyako' ('If you live there, that's the capital.'), and though I was surprised when I first saw the hostel, now it's home.
>
> My room has eight people, a family of eight. The composition is as follows: four fourth year, two third year, and two first year. There are four room leaders, so that things aren't very well arranged. I am fourth year too, and as I have been living with the other three fourth years for three and a bit years I know a lot about them. Often we talk from bed-time till dawn about the problems of existence and of love. The room really is like a family, and though we are all going to have our own families, it is very useful. Because there are eight people all together, there are problems when someone wants to work or someone has the radio on loud. Rather than solve these problems individually we work things out in a debate involving the whole room. We work hard at enjoying ourselves, and often go drinking together. The most enjoyable thing of all was the farewell party for the fourth year. Every year we go on a trip. Because hostel life is like this I am lucky enough to have two families.

With the fewest of changes the piece could be taken as a description of life in the graduate hostel for the main office; and it was obvious that living in a university hostel and learning to get on with the changeless group of seniors, equals, and juniors with whom one shared twenty-four hours a day was excellent training for a future in Marumaru.

The training of graduates was very like that of high school entrants. The lectures were similar - though of higher intellectual content; and graduates had to learn to work the machines on the shop floor before they took up their first real jobs, usually in sales or research. Marumaru trained its future managers in this way in order that they should understand shop floor problems, and in order, too, that they should come to know and perhaps make friends with the other members of the community. Graduate

labour had also been used, in the past, to overcome shortages of workers. Future salesmen had been kept on machines for months at a time, and qualified engineers for as long as eighteen months. In the year I was with Marumaru, however, the shop floor training period lasted only a month.

The graduates, then, complaisant and eager to learn, were a world away from the high school recruits who entered the company at almost the same time. It was assumed, no doubt rightly, that the difference was due to the relative shortage of the two groups. I was told that the high school entrants of seven or eight years earlier had been just as 'positive' in their attitudes as the 1970 graduates. There was no incontestable proof of this; many of those who said so were themselves high school leavers, and they had possibly overlooked, in their nostalgia, large numbers of their contemporaries who had been 'negatively' disposed towards Marumaru and had left. If it was the labour shortage that had led to a teterioration in the standards of non-graduates, might it not be that the day would come when graduates, too, fitted uneasily into the company community?

Even in 1971, when Marumaru received more graduate applicants than ever before, and was able to turn half of them away, there were signs that graduate recruitment in the future might become as difficult as high school recruitment. There was a shortage of science graduates; and the directors thought the standards of the arts graduates so low that they ordered that a second entrance exam be held later in the year. Nevertheless there remained an enormous difference between the supply of high school leavers and graduates. It was still difficult for a new graduate to get into a company, and unwise for him, having entered one, to behave in a way that prejudiced his chances of staying in it.

C. Recruits from industry

Finally we come to the people who joined Marumaru in an irregular fashion, not from school or college but after leaving other companies. A very small minority of these came in at the invitation of a Marumaru official, sometimes to do a special job, and their treatment might be most advantageous if their sponsor were influential and if they had something special to offer the company. Thus the president had invited the senior manager of a bank with which Marumaru's relations had to be good to join the board of directors. In middle management, too, one or two men had been invited to join Marumaru every year, usually from bankrupt or declining companies. These middle managers were not immediately appointed to positions of rank and importance, but within two or three years they might, if they were lucky, be made superior to men who had served for longer. At the shop floor level, too, there were employees who had been asked to join Marumaru from outside; these too might received special treatment - not promotion, but a subsidized flat or company house.

But most of the irregular entrants, and therefore most of the entrants of any kind, came to Marumaru after hearing from friends that the company was looking for workers, or after applying to the labour exchanges or seeing advertisements in the newspapers. Marumaru spent little time or money on recruiting men in their 'mid-careers' (chūto saiyō). Unlike a great many companies, Marumaru did not advertise for workers on hoardings or posters in trains and buses - though a notice had been placed in front of the Yokohama factory inviting job-seekers to enquire within. The company did use newspaper advertising, but the notices were not merely dull but secretive, offering little information about the work, and none at all about the pay. Marumaru's effort at recruiting men in mid-career contrasted strikingly with the company's frenetic attempts to extract schoolboys from the schools of N-, particularly when vast companies

long habituated to life employment practices seemed to have adapted themselves more readily to changes in the labour market, and shown more confidence in applying new and impersonal methods of attracting workers than a young company like Marumaru, which had never had traditions of its own to hold it back.

In common with most Japanese companies, Marumaru did not attempt to recruit skilled workers from its competitors. I was told that there were no skilled workers available - this in spite of the fact that Marumaru itself was losing dozens of trained young men every year. The real reason why Marumaru refrained from recruiting within the industry was moral or cultural; the practice was considered unfair.* Even when a man with experience in another corrugated board company came into Marumaru's hands, very little account was taken of his work outside the company, and he was most unlikely to be given responsibility during the long time he took to establish himself socially in Marumaru. Skilled though he was, he would receive less favoured treatment than a man with no knowledge of the industry who had been invited into Marumaru by a senior manager.

Just as Marumaru took so little trouble over obtaining 'mid-career' recruits, so it treated them with careless indifference when they joined. Without more ceremony than a brief introduction to a busy production section head, they would be taken on as temporary employees (rinji jugyōin), a status they retained for several months, until the factory labour sub-section was convinced that they were eligible to become full company employees. This disadvantage was compounded by the fact that though they were nearly always unskilled men they were given no systematic

* I did see one advertisement in the corrugated board trade magazine, 'Danbōru', offering jobs to experienced corrugator operators. The advertisement, which appeared to be unique, had been placed by an agency, and I was unable to discover who the principal was.

training, and often, because supervisors were overworked, no training at all. Yet, so far as could be determined - for there were no figures of leaving rates among temporary employees - these 'mid-career' entrants were at least as likely to stay with Marumaru as the high school entrants on whom such care was lavished.

The company was prejudiced against mid-career entrants for a number of reasons. They were older workers, but nevertheless unskilled. Since Marumaru paid wages more or less according to age, mid-career entrants were likely to cost more than they were worth. They were unlikely to fit in docilely with the Marumaru way of doing things. Their entrance into Marumaru was likely to upset workers of the same age who had joined the company straight from school (gakusotsu). Finally, they had already shown themselves disloyal by leaving their previous employers. Even after having passed through the probation period and become a full employee, the mid-career entrant was kept on low grades and pay scales until he had accumulated a length of service more in keeping with his age. The younger a mid-career entrant was, the better his chances of setting himself on equal terms with men of his own age who had entered the company in a regular fashion. Older mid-career entrants were less likely to make up lost ground. Because they were older, their contemporaries would already have achieved recognition, while they themselves had less time to succeed before reaching retirement age. So a man who joined Marumaru at the age of thirty five would find his contemporaries, some of them with fifteen years' experience, in supervisory posts. He himself might hope to reach such a position in fifteen years, but he would not be able to advance further before he retired; and meanwhile his contemporaries might have reached still higher ranks.

On the whole mid-career recruits were resigned to their treatment, and recognized that those who had served Marumaru since leaving school deserved their reward. Yet Marumaru was unlike the typical large

Japanese company in the importance it attached to merit. Though in practice, as we shall see, promotion was most usually by age, it was considered axiomatic that ability should be the first consideration in choosing a man for a job. The widespread acceptance of the meritocratic ideal naturally affected the company's view of mid-term recruits and influenced the attitudes of the recruits themselves. Certainly the principle of promotion by ability was used to justify the rapid rises of those mid-career recruits who had been invited into the company; for who would have invited them if they had not been able, and if they were able it was natural that they should be promoted. Even uninvited mid-career recruits were theoretically eligible for promotion according to ability, and there were cases of men who had entered the company casually at nineteen or twenty and had risen above other men who had earlier been recruited from schools. But some of that majority of mid-career recruits who were held back because of their personal histories had had their expectations raised by the company's avowals and found themselves disappointed. One of them wrote a surprising complaint in reply to a certain questionnaire the company distributed:

> 'I have been in the company four years and five months and can do the jobs of any of the older people in the company. When I joined the company (after two other firms) I heard that if one had ability one could be promoted rapidly and get more money. Because I heard this I myself worked hard, but last year, though I was put on the promotion list for the Yokohama factory, after they looked into it, I wasn't promoted because I hadn't enough experience in the company. It was a big shock when I only went up to the ... grade along with the others. I should like you to take a hard look at things to see that this 'meritocracy' (jitsuryokushugi) isn't just a phrase.

This man was remarkable for his forwardness in writing to the company about such a matter. When I paraphrased his message and related it to some of my shop floor informants to illustrate how men

suggested themselves for appointments in British industry they were genuinely shocked at the egoism and presumptuousness displayed in it. Yet outspoken though he was, the writer was voicing a discontent which a great many mid-career recruits surely felt. I remarked in the first chapter on the relation between employment and pay and seniority by age; here we can see the antithetical association also present in Marumaru, of labour mobility and meritocracy.

There were occasions, also, on which those who had come in regularly as school recruits felt threatened by the competition of mid-career entrants - in spite of the considerable advantages accorded to the school entrants. Some of the team leaders on the shop floor were younger than the mid-career recruits it was their duty to supervise and train; and even those who were not younger might still not be old enough to assume the necessary authority with confidence. The oldest team leader in the shift I associated with, a man of twenty-nine who had entered the company from a school in N-, and who had had ten years' experience of printing machines, told me that he so disliked supervising the older mid-career entrants that he would do his best to pass them on to the sub-section head above him.

We have seen in this section how recruiting methods at Marumaru were a response not to economic but to social requirements. The company sought, at ever increasing expense, those potential recruits whom it considered socially most acceptable, and when it had admitted them, it offered them the most generous hospitality. By contrast it made no attempt to attract the potential recruits who might have had the greatest economic value - the men who had resigned from other corrugated board companies - and it treated all its mid-career recruits with considerable reserve, because it considered them socially less desirable than school and college entrants.

The double irony of the situation was that Marumaru was managed almost entirely by mid-career entrants; and that the recruits whom Marumaru most valued, the school entrants, were no more disposed to stay with Marumaru than the despised mid-career recruits, as we shall see in the next section.

c. Leaving the company

When I began my study of why people left Marumaru, the company made available to me the main office records which were supposed to give details of those who had left during the seven company years 1965-71. Though these records contained a great deal of information, there were also a number of defects and inaccuracies. Most of those who left were young factory workers of only a few months' standing and it was understandable that the factory labour sub-sections, which were supposed to send in full details of the leavers, took little interest in chronicling their passage from the company, and were often dilatory in giving information to the main office. Thus three months after the end of the 1969-70 company year it was stated that 83 men had left the company for their own reasons during the period, but in the following six months

more factories completed their paperwork and the figure had risen to 101. The official figures below were compiled at the end of the 1971 companyyear, and the figures for that year were certainly far too low :

Table III.4

Co. Year	No. at beginning	Leavers					No. at end	Crude leaving rate %
		Death	Retired	Married	Dismissed	Other		
Men								
1971	833	3	4		1	90	1007	8.9
1970	781	-	1		1	99	833	12.1
1969	588	-	1		2	57	781	7.6
1968	541	-	-		1	57	588	9.9
1967	561	-	3		-	50	541	9.8
1966	528	1	2		-	48	561	9.1
1965	473	2	-		1	44	528	8.9
Women								
1971	121	1	1	13	-	20	146	24.9
1970	134	-	1	12	1	36	121	40.5
1969	110	1	1	11	-	24	134	26.9
1968	89	-	-	4	-	18	110	20.0
1967	102	-	-	15	-	14	89	32.6
1966	109	1	2	13	-	15	102	30.3
1965	99	-	-	13	-	25	109	34.9

The average age at Marumaru was so low (29 years old for men), that hardly anyone was retiring from the company. Most of the men who left the company did so of their own accord. Just less than half the women who left went to marry - a great many of them marrying men from the company whom they had met at work.

I explained in the first chapter that in general in Japanese industry the older a man was, and the longer he had been with any

company, the less chance he had of gaining by leaving that employer and trying to find work elsewhere. Because there was a surplus of older workers he would have less choice of jobs outside the company he worked in than a younger worker; and at the same time, because of the common practice of paying and promoting men by age within companies (a practice Marumaru also subscribed to) the longer he stayed in his company, the greater his reward.

It might be expected, then, that only young people would choose to leave a company, and this was indeed the case among the men of Marumaru. I was able to get details of 64 men (and 37 women) who had left the company between 1st September, 1969 and 31st June, 1970, the greater part of the 1970 company year. This group of leavers contained a rather higher proportion of older men than was usual in other years. Because Marumaru had just taken over the smaller corrugated board company I mentioned in the last chapter; most of the older men were from this smaller company, and were leaving because they disliked the new regime of shift work. There was also an unusually large number of graduates among the leavers. During that year the company had kept the new graduates on shop floor shift work for a full year, and some of them had fallen into despair and left. (It was unfortunate that every year at Marumaru was an exceptional one, in which the figures were influenced by the opening of a new corrugated board factory or the closing of a woodwork plant.) Nevertheless analysis of the group showed that most of the leavers were under twenty-five and of less than five years' service:

Table III.5

Male Leavers, 1970 Company Year (ten months)

Length of Service:

Age	0-1	1-2	3-5	6-10	11-15	16-20	21-25	25+	Years total
16-17	2	1	-	-	-	-	-	-	3
18-19	13	4	5	-	-	-	-	-	22
20-22	3	2	7	1	-	-	-	-	13
23-25	2	2	2	1	-	-	-	-	7
26-30	1	-	3	1	-	-	-	-	5
31-35	4	-	1	-	-	-	-	-	5
36-40	1	-	1	-	-	-	-	-	2
41-45	1	-	-	-	-	1	-	-	2
46-50	1	-	-	-	-	-	-	-	1
51-55	1	-	-	-	-	-	1	1	3
55+	-	-	-	-	1	-	-	-	1
	29	9	19	3	1	1	1	1	64

Analysis of the leavers by age and education confirmed that men were leaving young and soon after entering:

Table III.6

Age:	Middle School:	High School:	Univ./College:
16-17	3	-	-
18-19	8	14	-
20-22	1	12	-
23-25	2	1	4
26-30	2	2	1
31-35	4	-	1
36-40	1	-	1
41-45	1	-	1
46-50	1	-	-
51-55	2	-	1
55+	-	2	-
	25	30	9

Seven of the thirteen middle school men over the age of twenty-three had come from the newly merged company; but for them the pattern of middle school leaving would have been similar to that of the high school leavers, most of whom had only just joined the company straight from school. Twenty-six of the thirty high school leavers had come into the company during 1967-69, during which years one hundred and ten high school entrants had been admitted to Marumaru. A quarter of that intake had disappeared, therefore, in 1970 alone. I am not able, however, to account for the relatively large number of older graduates who left. In previous years only one or two out of two hundred graduates had resigned.

If the men left immediately on entry or not at all, women left at a rate which was independent of age or length of service. It was the company's hope to keep men for life - that is, until retirement; but women were not expected to stay more than four or five years before

they left to marry. Life employment was not for them, and, as we shall see later, Marumaru found it difficult to offer them opportunities for a career beyond the age of thirty.

I remarked in the last chapter that despite the trouble taken to secure them, high school entrants were just as likely to leave as mid-career recruits, who were casually enlisted and then almost ignored. There was no difficulty at all in establishing the rate at which high school entrants left Marumaru. As the figures for 1970 indicated, about thirty percent of the intakes of the previous two years left in any year, but after high school recruits had been in Marumaru for two or three years the rate of leaving fell. Here are the numbers remaining in the company in subsequent years of the 1966 high and middle school entrants to the K-Factory:

Table III.7

	Intake	1st year (8 mths)	2nd year	3rd year	4th year	5th year
Men	19	17	9	5	5	5
Women	2	1	1	0		

It would be fair to say that three quarters of all high school entrants left the company within five years of joining. Occasionally, however, the leaving rate was rather higher; at the Yokohama factory in 1971, eight out of the nine high school boys with whom I went through the training programme had left Marumaru three months after they had entered.

On the other hand, it was hard to ascertain what proportion of mid-career entrants resigned from Marumaru each year. When a man came to Marumaru from the labour exchange he was taken on as a temporary employee whether or not he wanted to stay with Marumaru indefinitely. The turnover among temporary employees was very high, but that was

because most temporary employees were indeed only casual workers, students or farmers earning a little money during the winter months. There was no way of knowing how many of the large number of temporary employees who left had actually intended at one time to stay and become full employees. Once a temporary worker was registered as a full employee, after a probation period of between three and six months, he did tend to stay. The labour department estimated that only about forty percent of mid-career entrants, once they were registered as full employees, left the company within three years of joining. My own rough calculations suggested that this estimate was high, and that the leaving rate might have been lower.*

The rates at which school and mid-career entrants left the shipyard studied by Mannari and Marsh (1970, p 73), were very different from those at Marumaru. There, 30% of mid-term entrants, but only 5% of school entrants left in their first year. Even after three years, seventy out of a hundred school entrants were still with the company, compared with only twenty-five at Marumaru. The leaving rate among new school entrants at the shipyard was low not only compared with the rate at Marumaru but also compared with the figures for Japanese industry as a whole (cf Hara, 1970, p 74, quoted above). Only if the leaving rate for school entrants had been equally low at Marumaru would the special effort at school recruitment have been justified.

Marumaru made determined efforts to find out why employees, and particularly high school entrants, were leaving. All leavers were asked to give reasons for their resignations, and their remarks were

* In the full 1970 company year about 30% of leavers had been mid-career entrants, but in the previous years there had been nearly twice as many mid-career entrants as school entrants. The proportion of school entrants who left within three years was about 75%, so that the equivalent proportion of mid-career entrants would have been 32%.

carefully noted. Not surprisingly, the leavers tended to be evasive and occasionally untruthful, and the factory labour sub-sections might at times have had reasons of their own for not enquiring too deeply, or not passing on information to head office. It was not easy, therefore, to learn anything useful from the official documents. Here are the reasons for leaving given by the men who left Marumaru during a twenty-two month period in 1969-70:

Table III.8

Health	8
Retired	6
Asked to leave	5
Family reasons	25
Own business	7
Dislike of shift work	17
Other	57
	125

The company could only be sure of those who came into the first three categories. A man who said he was leaving because his family wanted him to was probably prevaricating; even some of those who were resigning to avoid shift work might have had deeper reasons for going.

It was also very hard to find out where young people went when they left, because they rarely communicated with Marumaru officials once they had resigned, though they might keep in touch with personal friends. I had the impression that many young people left to enter bars or restaurants, hoping, perhaps, to find in these 'water trades' (mizu shōbai) an easier and more leisurely kind of life than that to be found in industrial companies.

In 1971, when the Yokohama factory had lost an exceptionally large number of high and middle school recruits, including nearly everyone in the intake of that year, a young official of the main office labour department was dispatched to the factory. There he interviewed the production manager, the labour sub-section head, and the young man in charge of the 1971 recruits' induction. The main recommendations of the report he sent back to the main office were that young recruits should not be put straight on to shift work, and that shop floor supervisors should cultivate better personal relations with their charges - even to the extent of inviting new people to their houses twice a year. The company should intensify the training of these first line supervisors as soon as possible. Furthermore, the conditions in the hostel, which were undoubtedly poor, should be quickly improved.

It was easy to see why young people left Yokohama. Under the direction of a young and intelligent, but over-zealous factory manager, the factory had for some years been making 'production first' its watchword. Apparently superfluous supervisory and other staff had been transferred elsewhere, the factory manager's explicit aim being to put the factory in the hands of a few energetic but over-worked Young Turks. Management soon lost the human touch. The production drive not only put a great strain on the young workers, who were required to do much overtime and Sunday work, but also forced the first-line supervisors from their tasks and back on to the production line. The sub-section heads, who did jobs similar to that of a western foreman, had been given courses in supervision and on-the-job training, but they were usually to be found pushing pallets around. An even greater contribution to distress and disorganization on the shop floor was the appointment in 1971, of a production manager who was ignorant of machines and who had never himself had any experience of shop floor conditions. (It was this same man who provided much of the information on which the

labour department investigator based his report.) The young people who left as a result of the strains and tensions at Yokohama encouraged others to do the same, not only by force of example, but also by worsening the effects of the existing labour shortage and making more work for those they left behind.

In other factories, too, high leaving rates seemed to be attributable to local conditions, and particularly to the quality of management. At the small rural factory I visited, numbers of young people had left in the first few years of the factory's short existence. The explanation was simple enough; the management of the factory, all of whom had been transferred from other Marumaru factories, had not known how to deal with local recruits, mostly from farming families, with no experience of industry. Rumour and statistical analysis combined to confirm that at the factories, where I spent rather less time, the situation was the same, and changes - sometimes very large - in the leaving rate were correlated with changes in management and altered factory conditions. I give below the crude rates at which men left three large urban factories over a four year period:

Table III.9

	Company year ending			
	1968	1969	1970	1971 (provisional figures)
Yokohama	5.4%	6.3%	12.0%	10.0%
K-	8.9	12.5	5.8	8.1
T-	5.4	4.0	16.6	6.5

The young manager of the Yokohama factory had been appointed at the end of the 1968 company year, so that there was some possibility that the subsequent increase in the leaving rate had to do with his policies there. An even more striking coincidence was the transfer of the manager of T- factory to K- in the middle of the 1969 company year. There was no doubt

that his leaving T- was in some way a cause of the quadrupling of the leaving rate there, while his methods at K- were probably responsible for the halving of the leaving rate at that factory. The fall in the leaving rate at T- factory in 1971 was probably also associated with the transfer of a manager, this time a production manager.

I remarked earlier that the directors of Marumaru were reluctant to delegate responsibility. Factory managers were given very little freedom by the main office, and it was surprising that mere adjustments in management methods, together with changes in personality at the top, should produce such swift reaction by the young people on the shop floor who made up the bulk of the leavers. That these minor alterations had so great an effect was an indication of the intensity of relations within Marumaru, and also of the degree of isolation of the community from the outside world.

Supervisors were well aware that young people were liable to leave at the first signs of difficulty. I was continually being told that a sub-section head only had to raise his voice to overcome the noise of the machines, to find that the young worker he was speaking to was giving in his notice in protest at being shouted at. As I mentioned in the last section, a great number of managers assumed that such spiritlessness was a sign of the inferiority of a new generation. I quoted the remarks of a labour department recruiter on the debilitating effects of the Japanese education system. Other managers or supervisors attributed the feebleness of young people to the decrease in the average size of Japanese families. Where before the war children had had to learn to get on with large numbers of siblings, today they often had only one brother or sister. They were liable, therefore, to be spoilt by their parents, and unprepared for the give and take of community living.

I have already suggested two important arguments against the proposition that the young workers left Marumaru because they belonged to a new generation with different values from those of their elders. The young graduates, though they were of the same generation as the high school recruits, and had been subjected to similar influences, behaved rather differently from them. The second argument was that many of the supervisors and managers, who were ready to berate young people for their 'selfish' modern attitudes, had themselves changed companies in their youth for what had presumably been 'selfish' reasons in spite of their pre war upbringing.

A more plausible interpretation of the high leaving rate among young people, as I have already indicated, was that young and old differed not in nature but in opportunity. For all employees leaving Marumaru required much determination and involved considerable risk; but for older employees the risk was so great as to be unacceptable, while their prospects within the firm improved perceptibly with time.

I end this section by considering an issue discussed by Cole (1971, pp 119-122), that of dismissal. According to Abbeglen, company employees in Japan were very carefully selected and tested throughout a probationary period, but once they had established themselves in a company they were there for life. In implicit exchange for their loyalty to the company they were given security from dismissal. Mannari and Marsh (1971c, p 804) suggested that the agreement between man and company did not involve reciprocal obligations. It was in order for the employee to leave, but not for the company to dismiss him. Cole confirmed that it was indeed impermissible for a company to dismiss an employee, but remarked that there were all sorts of ways in which the company could rid itself of a man without openly dismissing him. His life could be made so unpleasant by transfers or assignment to unpleasant work that he would want to leave of his own accord.

At Marumaru the rules governing dismissal were vague and allowed managers to dismiss a man for any offence which could be described as 'disturbing company morals and discipline', 'sullying the company's honour', 'undertaking activities which the company could recognise as unsuitable', or 'performing acts equivalent to acts specifically proscribed'. In fact, however, employees were rarely officially dismissed. Those few men who appeared in the table I set out at the beginning of this section as having been dismissed had nearly all stolen something. Their dismissals caused no resentment among employees; it was considered that the company had a right, if not a duty, to get rid of them. Even so, some of them had been treated very gently; sometimes the police were not informed of the crime; and Marumaru seemed surprisingly willing to conceal the facts from a dismissed man's future employers. Occasionally Marumaru would dismiss (kaikō) a man who was persistently absent from work after repeated warnings, and again such dismissals were thought proper by employees; but more often the company would 'ask the man to leave' (yamete morau). Neglect of fire regulations was a third offence for which the penalty might in practice as well as theory be dismissal. While I was at Marumaru a shokutaku (a retired and re-employed worker) was said to have been responsible for the burning of part of a factory because he had failed to take the set precautions. Technically, he was not am employee so that his removal did not count as 'dismissal' nor 'being asked to leave', and he was merely told not to come to work any more. Presumably if he had been a full employee he would have been 'asked to leave'.

In less clear-cut cases of misdemeanour the company did not attempt to use the extensive powers it had given itself, but preferred to encourage an offender to tender his resignation. The practice was a devious

tribute to the principle that no employee should ever be dismissed. Sometimes it was possible to prevail on a simple man to resign immediately and thereby avoid controversy arising over his case. On other occasions the most subtle and complicated manoeuvres were needed to persuade a man to leave. In 1966 a union official working in a factory administration section had applied for a transfer to the labour department, a transfer that would not in itself have appeared extraordinary because of the closeness of union and management. The man was coming to the end of his term of office with the union and the company offered him a job in the labour department on the understanding that he would not be standing for office at the next union election. It happened, however, that he was popularly nominated to the post of union secretary, and after he had been elected he asked the company to defer his appointment to the labour department. Until that time the union secretary had worked for the union in his spare time, but now the union was proposing to elect a full-time official. The company was strongly opposed to the union's plans, and it was perhaps with the aim of destroying the post that it attacked the holder. It claimed, with some justification, that he had caused the company the unnecessary trouble of arranging a transfer, and that now his presence on the union committee was damaging labour-management relations. Finally, according to the labour department head, the management persuaded the union to strike the union secretary from the union roll. He was accused by the union delegates from his own factory of having betrayed the union by standing for election while engaged to the labour department. The charge was technically well founded, though in the context it was a little hypocritical to talk of betrayal. He was called before a special meeting of the union assembly and expelled from the union. Soon afterwards the company suggested that he leave in his own interests because it would not be possible to give him

responsibility in the future, and even now his presence was upsetting the other employees. After two or three months of hesitation he finally resigned. Though the labour department admitted having organised the man's removal he himself was convinced that the management had been sympathetic to him, and that it had been the union which had campaigned to have him go.

I heard of other, rather less complex cases in which a man had been put into a position where leaving was the only choice open to him. There was also an amusing instance of a woman who, having refused a transfer - women were very rarely transferred - also rejected all suggestions from her superiors that she should leave. After a month they gave up trying to persuade her and she remained with the company at least until the time I left.

The cases above were of what the company might have viewed as dissidence, and it could be argued that no company, however genuine its commitment to the life employment system, could have permitted what was presumably a tiny minority of disobedient or seditious employees to disturn the common peace. What had impressed Abbeglen (1958, p 17) most was the apparent refusal to dismiss workers on economic grounds. Individual incompetents were never sacked, however little they contributed to the company; and even when a change of circumstances made an entire work force idle, management would continue to pay workers until times got better. When Abbeglen wrote, Japan still enjoyed a surplus of labour, and it might have been common during business recessions for firms to have too many workers for the work available Japan's subsequent growth and the onset of labour shortage meant that the problem occurred rather less frequently. In the spring of 1971, Marumaru experienced what was said to be a serious fall in orders. The result of this, at the Yokohama factory at least, was merely a welcome relief from labour shortage; the factory was only two men short instead of ten or fifteen. Nevertheless there were occasions when it

was in the company's interest to get rid of groups of workers. In 1970, the smallest factory, which was situated in a remote part of Japan, proved unprofitable for reasons that might not have been foreseeable. The plant was closed, and the workers transferred to another factory two hundred kilometres away. Though the closure was known to be final, the transfers were said only to be temporary, and the workers were not allowed to move with their families. Naturally the arrangement was unacceptable to some of them and they resigned. Again, just as I was leaving Japan, shortly after the 'dollar shock' in the autumn of 1971, there was talk at the head office of getting rid of twenty people at another factory at which demand was not up to expectations. I was not there to see the reduction achieved, but it was expected to be, once again, by making unreasonable transfer orders. At this time, incidentally, the newspapers were full of news of companies reducing their intakes of recruits and even asking employees to resign or retire early.

There was much inconsistency in the attitudes both of workers and of managers towards dismissal. I was told that Marumaru, unlike western companies, offered life employment. As long as a worker was loyal and did his best he would stay with the company for life. On the other hand, employees were well aware of the possibilities of dismissal. Several members of the union remarked, as if it were common knowledge, that any serious opposition to the company would be rewarded with dismissal - as indeed it had been in the remote past - and that even too much earnestness in seeking the union's ends might mean transfer to one of the remoter rural factories. Then there were stories at the Yokohama factory of how a certain manager had driven one of his subordinates, whom he thought superfluous, from the company. The fact that the junior had been forced to resign called forth no very fierce condemnation. It was perhaps considered self--evident

that if one didn't get on with one's boss one might have to leave. At Yokohama, as I have suggested, the prospect of lay-offs was slight, but the news of the cut--back in the work force of the new factory occasioned little more than a shake of the head, and some criticism of the management, not for breach of the implicit agreement to employ workers for life, but for over-extending themselves and putting the company at risk. The actual insecurity of employment at Marumaru was to some extent reconciled with the thesis of life employment by reference to imagined conditions in the west. I was told by employees of all grades, including managers who had made trips to America, that any worker in the west who made even a tiny mistake would lose his job. By contrast with these heartless western practices, there was indeed a life employment system at Marumaru, however many people had to leave for one reason or another.

d. Mobile and immobile workers

We have seen from the last two sections that at Marumaru, as no doubt in a large number of Japanese companies, life employment did not exist - at least in the form Abbeglen described. Most of those who entered the company did not come straight from school; and most of those who did come in straight from school left soon after joining.

It was possible to classify the various employees of the company, men and women, young and old, graduates and non-graduates, into two categories according to whether they were mobile or immobile. The mobile workers were those who could (and did) leave Marumaru with ease; the immobile workers were restrained from leaving by harsh external circumstances and their relatively advantageous positions within the company.

The distinction between mobility and immobility was not an absolute one, depending as it did on a man's estimate of whether or not he would do better to leave Marumaru than to stay in it. Obviously a man of forty-five, with twenty years' service behind him, and a large separation allowance waiting for him on retirement at fifty-five would have been extremely unwise to leave; but a young man of nineteen years and only three or four months company service had little to lose by moving to any of the hundreds of better paid jobs advertised at railway stations. There were, however, some employees for whom the prospects inside and outside the company were more nearly equal.

Moreover, it could be expected that in the long term, as circumstances changed, previously immobile categories of employee would become mobile, or even vice versa. If a shortage of graduates were to develop in the labour market, then Marumaru graduates would be presented with opportunities of leaving on better terms than before. Conversely, if an enormous expansion took place in Marumaru's business, then men of twenty-two or twenty-three, seeing promotion nearer, would hesitate to look for jobs elsewhere.

Nevertheless, while I was at Marumaru, there was no great difficulty in identifying mobile and immobile employees. The mobile employees were the women and the young non-graduate men; the immobile ones the graduate men, and the older non-graduates.

The women formed a special class of mobile employees. In few industrial countries can the role of women be quite so fixed and so sharply differentiated from that of men as in Japan. In few are women steered so firmly towards marriage and child - rearing, and away from competition with men in the acquisition of the skills and experiences held of greatest value in the world outside the family.

Though women became employees of Marumaru under almost the same formal terms as men (women's wages were slightly lower and they were required to retire earlier), and though women were not officially denied any of the privileges of company or community membership, it was nevertheless assumed by everyone, including most of the women themselves, that a woman's purpose in being with Marumaru was different from a man's, and that therefore her treatment both by the company and by her fellow employees should be conditioned by her sex.

Of the 967 employees of the company in August 1970, 126 were women and 841 men. Nearly all the women were clerical workers assigned either to head office or the factory administrations. In each of the factories about 10% of the employees were women, but in the head office women constituted nearly one in three of the staff. Earlier in Marumaru's history there had been proportionately more women. In 1965 there had been 99 women to 473 men. In those days many of the women had been employed working machines on the shop floor. But as demand for board had grown it became necessary to put the factories on shift work. Because women were debarred by law from doing night shifts the company had replaced them with men. The introduction of certain machines on the shop floor had also encouraged the change.

All but three or four of these women were below the age of thirty, and most of them were unmarried. Unlike some Japanese companies, Marumaru had no great objection to the employment of married women, but it was considered natural that a girl should want to retire from the company on marrying, and the company offered special separation allowances to girls leaving to marry. As the demographic facts showed, and as women themselves appeared to agree, women workers were only filling in time between school and marriage. Because they were young, because they would not be in Marumaru long enough to be worth training,

and above all because they were merely women, they were presented with the most routine and boring work, and invited to make the men tea and coffee in between performing it. But it was recognised that even though they were full company members it would be unreasonable to expect them to be committed to Marumaru or to ask them to sacrifice their private lives for the company's sake. Women were very rarely transferred and managers were cautious even about making them do overtime.

But if women were given the least appealing jobs to do, and denied responsibilities, they did have a privileged position in company society. Their social activities were less inhibited by rank or departmental divisions than any other members of the community. They could break off flirting with fellow workers and listen coyly to the humorous propositions of directors without being thought sycophantic; after all, what had they to gain from good relations with their seniors? And women formed a bridge between departments or factory sections whose male members hardly knew each other.

Women also made a contribution towards the self-sufficiency of the community by providing wives for a number of the men. The men were so bound up in Marumaru, and had so few contacts with society outside the company and so little time to make any, that finding a marriage partner was a problem. Men either married girls they had known at school or college, or asked their parents to arrange marriages for them, or married company girls. Perhaps as many as a fifth of the married men of the company had married fellow workers: the proportion was even higher among managers, because they were in the offices where the women worked. At Yokohama there were 17 married men in the factory office and five had married within the company. From a women's point of view, marriage to a Marumaru man

was one of the most likely ways in which she would leave the company. At the K- factory, which usually employed about fifteen women at any time, sixteen women had left to marry between 1966-70, and of these ten had married men they had met at work. In every case, the husband was either an office worker or a shop floor supervisor. Nearly all the women were office workers, but one, who worked on the shop floor, married a salesman. This latter case could be taken as an indication of the social mobility of women; very few salesmen knew male shop floor workers well, for not only were there differences in age and education between the sales staff and the shop floor, but there was also a shortage of opportunities for the two to meet; shop floor workers were on shifts, and salesmen were out all day selling.

The function and place reserved for women at Marumaru best suited young ill-educated girls who had no great objection to working as auxiliaries and even drudges, who were cheerfully resigned to their juniority, and who welcomed the prospect of marriage that Marumaru offered. Intelligent and well educated women, and women who had been with the company a long time, fitted uneasily into the official organization and occupied an anomalous position in the community.

The management was very unwilling to allow women to do any but inferior work. It saw no injustice or inefficiency in having a woman graduate do the routine work for a man of little education and talent, or in requiring a woman of thirty who had worked for the company ten years make tea and wash up for young men who had only just been recruited. If a woman did not marry, but instead stayed at work she might eventually come to take responsibility, as much because there was a labour shortage as because of her own talents. Even then the management would deny her the rank and official position that usually

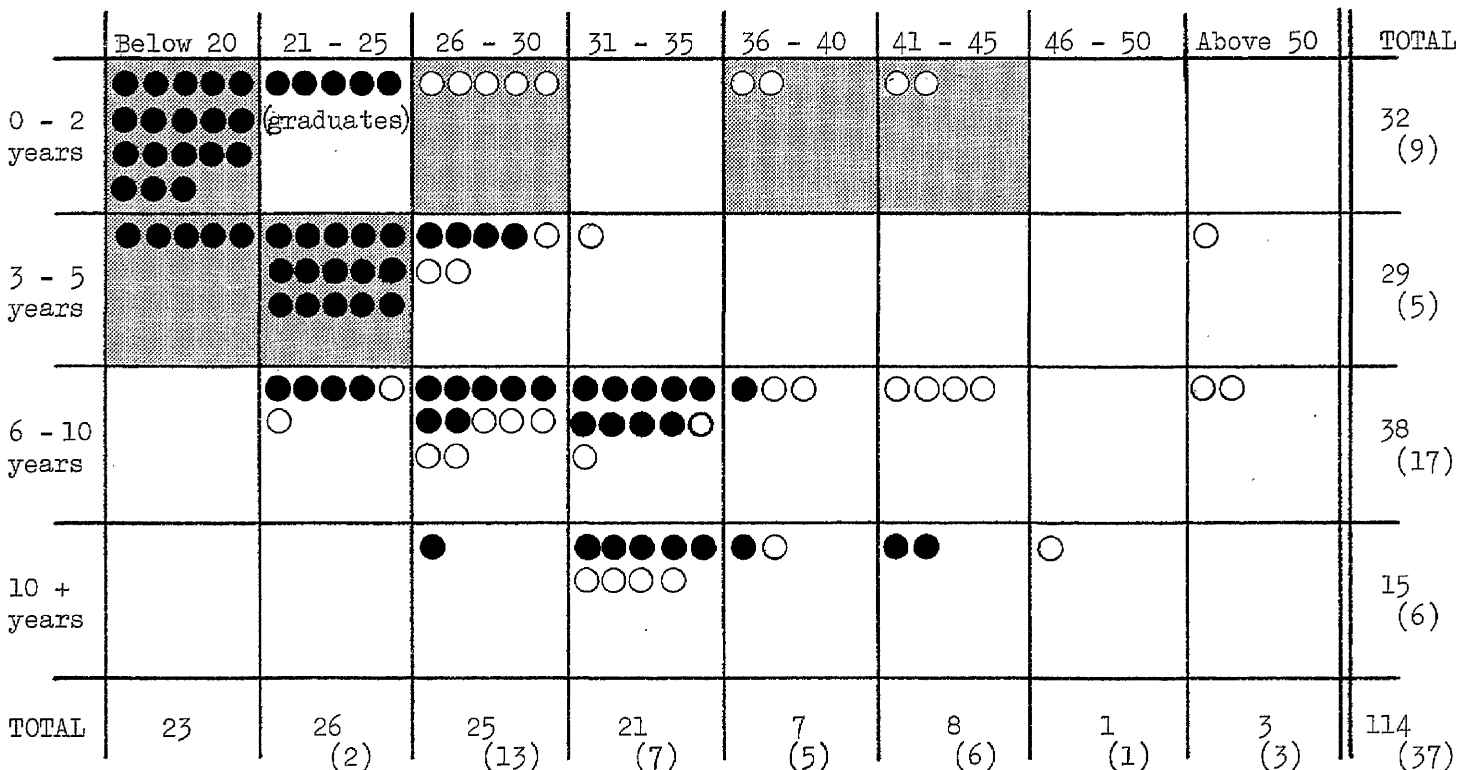
went with that responsibility. The men who entered the company with her would, in addition to being managers, have become central figures in the community. They might be occasional visitors to the houses of directors, while they themselves frequently entertained juniors and colleagues in bars; they might have been 'go-betweens', or at least honoured guests at company weddings, and what they had to say would be listened to with respect at company weddings or dinner parties out of working hours. But senior women would be continually reminded that Marumaru was a man's world. They would not have been welcome at the drinking parties at which Marumaru came to know itself. They were not eligible to engage in the formal agreements by which men at Marumaru bound themselves to each other - sponsoring new entrants, acting as a go-between in marriage, or as a guarantor in commercial transactions outside the company. These older women had little choice but to become doyennes of the women employees, fixing up flower arrangement classes or bowling sessions, advising the younger girls on their problems of work and love, or taking them out to dinner. So they became leaders of a kind of sub-community of women within Marumaru.

It could be said then, that women were mobile employees by convention, rather than as a result of the workings of the labour market. Among men, however, the difference between mobility and immobility was determined by the labour market, and was a matter of age, length of service, and education. It may help in discussing this difference if we consider the distribution of men at the Yokohama factory, taking the data from a mandatory questionnaire issued to employees in the autumn of 1969.

AGE IN YEARS

(SHADING REPRESENTS MOBILITY)

LENGTH OF SERVICE IN THE COMPANY



● - SCHOOL ENTRANT

○ - MID-CAREER ENTRANT (TOTAL SHOWN IN BRACKETS)

FIG. III : 1 School and mid-career entrants, mobile and immobile workers at the Yokohama Factory

I have placed the main division between mobile and immobile employees at about the age of twenty-five, and at five years' service, for, as we have seen, relatively few non-graduates over that age and with more than that length of service left the company. By twenty-five a school entrant would not only be getting somewhere in the firm; he would also be considering marriage. Once married, his family responsibilities provided additional reasons to preclude his risking a change of job. Again, after five years' service, a man might expect to be promoted to the lowest of the supervisory ranks, and he would hardly leave at that juncture. On the other hand mid-career entrants who had just joined Marumaru could also be considered mobile employees, in that they had not yet acquired anything to lose by leaving Marumaru.

It can be seen that the mobile employees formed a very large minority of the men at the factory. Though the mobile workers were able to leave, very few of them had actually had experience of other companies; but many of the immobile workers, though not immured in Marumaru, had come from other companies.

Table III.10

	Mobile men	Immobile men	Total
School entrants	38	39	77
Mid-career entrants	9	28	37
	47	67	114

In a later chapter I shall be discussing in some detail how mobile and immobile workers viewed the company and how they behaved towards each other, though I shall first have to describe the organization of the company, which naturally had a great effect on social relations. I should like to end this chapter, however, by reconsidering the cohesion of the community, and the influence upon it of labour mobility.

I remarked in the first section on the intensity of social relations within Marumaru, and the extent of common interests, activities, and values among its members. It would have been quite impossible to sustain such an intensity, impossible for so strong a sense of community to have persisted in a company which lost ten percent of its men workers every year if men of all ages and grades had left the company at the same rate. At Marumaru, however, all the managers and senior workers were immobile employees, tied to the firm and destined to each other's companionship for decades on end. The twenty years since the company's foundation had given the president and his advisers, assisted by a corps of middle managers and supervisors hardly any of whom ever left the company, ample time to impose a particular style and character on Marumaru. There had been plenty of opportunity, also, for these older employees to get to know each other and to enter into numerous associations with each other both at work and outside it. In these circumstances the continual extremely high turnover among young shop floor workers, though economically expensive, and exasperating to the labour department, had no very serious social effects. The fact that four out of ten members of the previous year's high school intake had left within a year was of only limited consequence to a shop floor worker of thirty. His attachment to the firm, and his relations with his superiors and colleagues remained unchanged, though it was true that he might have more work to do as a result.

The immobile workers, then, were the centre and strength of the community. As we have seen, however, the immobile workers had not always been immobile. They had once been young and had had the opportunity to move, and many of them had indeed changed jobs and joined

Marumaru as mid-career entrants. They had lost their mobility not so much by voluntarily committing themselves to Marumaru as involuntarily, as a result of circumstances. I shall show later on how the non-graduates in their mid-twenties who were beginning to realise how little chance they had of leaving Marumaru were particularly critical of the company. The immobile employees, though habit alone would have made them more devoted company servants than the mobile employees, were far from being entirely dedicated to Marumaru or free from the same self-seeking motives that caused the young to leave.

e. Summary

In this chapter we saw how the people of Marumaru formed a community, and how they joined that community and left it. The company's methods of recruitment, and its manner of receiving various types of recruit and training them could be taken to indicate the importance attachedm to the creation of a certain type of community by those in charge of Marumar. We saw, however, that the recruits thought most desirable by the management were leaving the company in large numbers. The labour market was having the effect of dividing those in Marumaru into two categories of employee, according to whether or not they could leave the company on terms favourable to themselves.

Now the state of the Japanese labour market, the relative scarcity of young workers and school leavers, was partly a result of demographic tendencies, but it was also, as I indicated in the first chapter, a result of the employment practices of large Japanese firms, and particularly the practice of paying and promoting employees according to age. The fact that other companies paid by age created the demand for young workers which allowed Marumaru's own young employees to change their jobs; while because Marumaru itself paid by age, older employees were discouraged

from leaving. In the next chapers we shall examine how the systems of pay and promotion by age worked at Marumaru; and we shall also be discussing other features of the organization of the company that had an important influence on social relations.

CHAPTER IV THE ORGANIZATION OF THE COMPANY

The details of Marumaru's organization changed very frequently. Twice during my stay there occurred what was said to be a major reorganization of the company, and shortly after I left certain departments were allocated to new divisions of the company and a number of management divisions were abolished. According to Marumaru's official history, similar changes had been made at least annually throughout the company's existence. Since so many changes in the organization took place - for reasons which I shall explain later - it would be pointless to examine the organization which existed at any particular time too closely. Instead I shall be considering three major characteristics of the organization of Marumaru which persisted in spite of any number of revisions in the organization charts.

The first characteristic was that though the organization of Marumaru was strong hiararchial, and there were two systems of grading that differentiated individuals, there was little distinction between classes of company member. The organization of many large Japanese companies is comparable with that of the Civil Service in Britain. There is a series of ranks; section heads, department heads, and so on. At the same time the membership of the company is divided into classes. Just as the Civil Service has an administrative class and an executive class, so a Japanese company has staff (shokuin) and 'workers' (koin), (Abbeglen, 1958, p 29). The staff are usually graduates either already in, or destined to achieve, posts in upper management; the workers are less educated men following careers quite separate from those of the staff which culminate in supervisory appointments. At Marumaru, however, except for the statutory division

between directors and employees, a division which did not involve any social distinction, such classes did not exist.

The absence of rigid promotional barriers between administrative classes, and the consequent fact that everyone was on the same scales (though naturally different people occupied different positions on them) contributed greatly to the cohesion of the community. Those in low positions could always hope to reach the top; those in high positions had to accept that even those juniors who were different from themselves in qualification and background could one day become senior managers. The conceptions of 'us' and 'them' familiar in British industry were less easily tenable at Marumaru. It was easier for men of all ranks and types to think of themselves as in co-operation - and also in competition.

A second distinctive feature of the organization of Marumaru was the conflict within it of the ideal of meritocracy and the practical convenience of paying and promoting people by age. We have seen that promotion according to ability was part of Marumaru tradition, the success of the company being attributable to the willingness of the directors to give a young man responsibility. Now that the company was large and settled, however, with cohorts of graduates coming in regularly every year, it was proving difficult to promote people according to ability without creating dissatisfaction among those who felt themselves passed over.

The third characteristic was that managers took collective responsibility for decisions, but that authority was not extensively delegated. The tendency to centralized decision making, like the belief in meritocracy, was a result of the president's influence on Marumaru. The company had grown so large that greater delegation of authority had become desirable; but the president had been

in charge of Marumaru so long, and his authority was so great, that relatively minor decisions continued to be taken by him, or at least made subject to his approval.

a. The organization of status

There was at Marumaru a series of ranks or titles which I shall call the 'standard ranks'. A man would enter the company as an unranked employee (hirashain) and could then, theoretically at least, pass through each of these ranks in turn until he eventually became president of the company.

	Rank	
Directors	Shacho	(Company head = President)
Directors	Senmu	(Special duty director = Vice-President)
Employees	Jōmu	(Ordinary duty director
Employees	Buchō	(Department head)
Employees	Jichō	(Deputy head)
Employees	Kachō	(Section head)
Employees	Kakarichō	(Sub-section head)
Employees	Hanchō	(Team head)

The names of the standard ranks and their relative importance were essentially the same at Marumaru as in any Japanese companies. Certain Japanese companies lacked 'deputy heads' (jicho), and in some the ranks were systematically elaborated by the addition of the words 'assistant' (fuku) or 'deputy' (dairi) to a rank name; but the system of standard ranks at Marumaru was merely a simple variation of a universal scheme, and the rank names, as I have set them out above, were part of the common Japanese language.

One might have presumed, from the literal meanings of the names of these standard ranks, that those in them were heads (chō) of a unit of organization, and that the importance of the rank was associated with the size of the unit. In fact, however, many sub-section heads had no sub-section to be head of; and the same was true, though to a lesser extent, of section heads. (Many deputy heads were, however, in charge of important, but unnamed management units). Like ranks in the British army - and that of brigadier would be a good example, for not all brigadiers command brigades - the standard ranks denoted status, but not necessarily function or authority. The words 'sales section head' (eigyō kacho) on a man's name card might mean that he was head of the section that carried on all the sales activities, or head of a section within a larger unit devoted to sales, or again that he was merely a senior man in the sales unit, but without any specific responsibilities. All that was certain was that he was of a certain station and that he was doing sales.

As in army ranks, also, the standard ranks at Marumaru were used in addressing people and in reference to them. A section head would be called 'kachō', and he would be spoken of as 'Yamamoto kachō'. This use of the standard rank names gave the ranks immense social significance. Neither a rank holder, nor those he met and dealt with, could easily forget his status relative to theirs.

I noted at the beginning of this chapter that there was a statutory division among those who worked at Marumaru between directors and employees. The directors were legally responsible for looking after the interests of the shareholders; they were not employed by the company and were not subject to its rules. The technical

distinction between directors and employees was made, however, almost insignificant by the fact that both directors and employees were placed on the same standard ranks. Nearly all the directors of Marumaru had once been employees. Typically they had worked up through the standard ranks until they had become department heads. Then, when they had been appointed to the Board, they had resigned from the company and taken their separation allowances; but they had continued to do the same jobs as before, and hold the same rank of department head. At this point there was little difference between them and their fellow department heads who remained employees. Eventually the director department heads would continue up the standard ranks, while the employee department heads would stay in that rank until they were required to retire at fifty-five - directors who had already retired, stayed on the Board indefinitely. Becoming a director, therefore, was a precondition of future progress up the standard ranks rather than the acquisition of a new role, entirely different from that of an employee.

A second distinction, of even less consequence than that between directors and employees, was that between managers and workers. Those in the lowest standard rank, that of team head or team leader, were not counted as managers. They were members of the company union, they received overtime payments, and their bonuses were paid according. to rates agreed between management and union. These team leaders, however, were almost certain to pass up the standard ranks and become sub-section heads within two or three years of their appointment as team leaders. Sub-section heads were managers, though their duties were often very similar to those of the team leaders. They were not union members, and no longer received overtime payments. Though their bonuses were calculated on the basis of the rates agreed between management and union, they might, if the company were in difficulties, receive less than

the stipulated sum, or have their bonus payments deferred. Except for these new conditions, some of them positively disadvantageous, their positions as sub-section heads were almost the same as they had been as team leaders. So little attention was paid to the division between managers and workers that there were no simple words to denote the two categories. On the rare occasions when it was necessary to distinguish them, people used to speak of 'sub-section heads and above', and 'team leaders and below.'

Because of the standard ranks, therefore, the organization of Marumaru took the form of a classless hierachy. An institution with a comparable organization in Britain would be, not the army with its classes of officers and non-commissioned officers, but the police force.

The hierarchical nature of the organization was evident from the fine gradations in the treatment accorded individuals of different rank. As a man passed up the standard ranks he received rises in base pay and better allowances. The size of desk and the capacity of his clothes locker increased. He was able, when travelling on company business, to stay in better hotels and travel in better conditions. People at Marumaru were very much aware of rank and of the differences in rights and privileges that went with rank. They were very conscious, too, of relative status. Before a committee meeting two or three minutes would be spent seating the participants in the correct order. Again, when a group of company members went out together for an evening on the town, the senior members would automatically assume the roles of hosts, choosing the bars they should go to and, of course, paying for the drinks. If the junior members of the party were several ranks below the senior members there might be a great deal of standing on ceremony, and the evening might lack spontaneous conviviality.

The absence of classes within Marumaru was equally apparent. Everyone in the factory wore the same uniform jacket with the company's crest. There was one canteen for everyone, from the factory manager, who besides being the equivalent of a department head was also a director, to the lowest shop floor worker, and everyone queued in line for the same food. Again, on the main office outing, the president and the senior directors joined in communal activities with junior clerks and even with their own drivers. People of all ranks ate at the same table - seats being chosen by lot on these occasions - joined in the chorus of after dinner songs, and later played mahjong together. Finally, there was very little use of "respect language" within the company. An unranked shop floor worker would speak to a director using only the plain forms of speech; by contrast a Marumaru section head would have used respect forms in conversation with a director from another company.

The system of standard ranks not only provided a bridge, or rather a ladder, linking senior and junior members of the company; because the ranks were the same in every department and in every functional unit they also supplied a common frame of reference for people in different departments doing different types of job. A worker on the shop floor could look forward to becoming first a sub-section head, and then a section head, with exactly the same privileges as sub-section heads and section heads in the sales section, who might be university graduates. This uniformity of the standard ranks was an important reason why there was little or no social discrimination between people doing different jobs at Marumaru.

If the standard ranks contributed to the unity of the community by putting different types of people on comparable terms, they also caused a number of organizational problems. One was that though there was only

a limited number of standard ranks there might be a need for a larger number of sets of seniors and subordinates within a part of the company. One solution to this might have been to recognise subsidiary ranks such as 'deputy section head', and there were one or two suchtitles, but they were unofficial, for the upper management preferred to retain a simple rank system. Section heads of different importance were, theoretically, distinguished by an elaborate grade system which I shall be describing shortly. So if one section head was in reality subordinated to another, or if he was doing less important work, he might be accorded a lower grade than his colleague. In practice the grade system was used in a confused manner, sometimes to reward merit, or in recognition of responsibility, but more often to mark age and length of service. In any case people paid far less attention to grades tha to the standard ranks.

A second problem was that the common rank names made possible invidious comparisons between unrelated units of the company. A unit had prestige in proportion to the rank of its leader and the number of other men in the standard ranks that it contained. If the unit had few such men, morale within it would be low, for it would be seen to be undervalued in comparison with other units. The lack of men in the standard ranks might also have a practical effect on the unit's relations with other parts of the company. Its representatives on committees might be out-ranked by other members of the committee who came from units better endowed with men in the standard ranks. The unit might be at a disadvantage, therefore, in influencing the company's decisions. A good example of this problem was provided by the labour sub-sections in each factory. The men in charge of these were only sub-section heads, and they tended to be over-ruled by section heads and deputy managers from other parts of the company. The sub-section heads and their subordinates

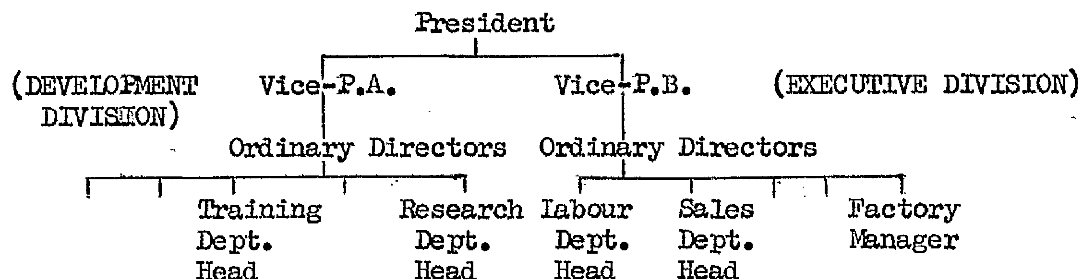
were very conscious of their lack of status and influence, and they tended to do their work without flair or enthusiasm - with deleterious consequences for the recruitment programme.

Perhaps the greatest problem caused by the standard ranks was that since a man was called by his rank, he came to feel that his rank attached to his person and not to his office. If he was transferred, therefore, he expected to keep his rank. A section head should either move to the headship of another section or, if there was no section for hi to head, he must be put between a deputy head and a sub-section head. The management was never quite sure whether to accept such expectations as justified.

The solutions to the problem varied with circumstances. A new appointment to the upper most ranks, or the secondment of a director to a subsidiary company, usually necessitated at least a nominal change in the entire organization of the company. To see why, let us consider what happened when, at one point during my stay with Marumaru, a vice-president was sent to start an important subsidiary company.

Before the move Marumaru had been organised into two main divisions, the development division and the executive division, each headed by a vice-president who was responsible to the president.

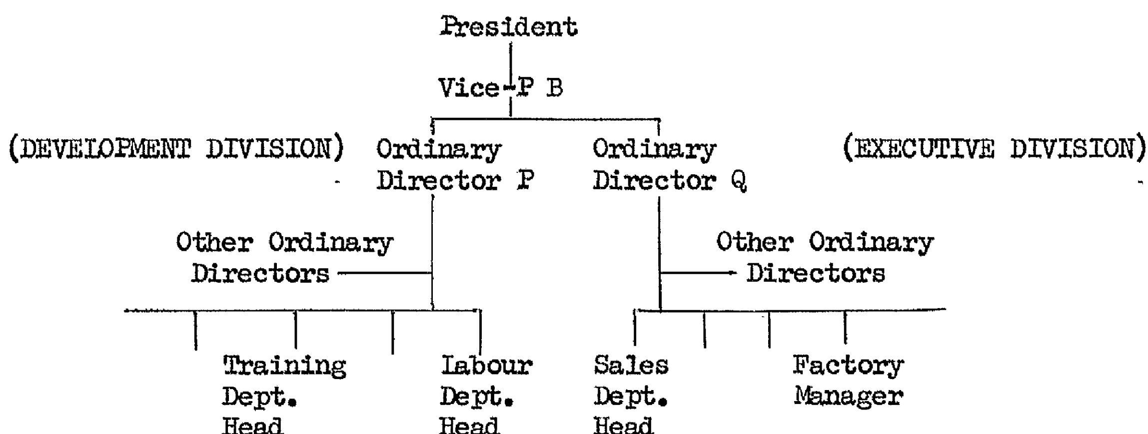
Fig. IV. 1



It had been decided that vice-president A of the development division should go to the new subsidiary. A new head therefore had to be found for the development division from among the ordinary duty directors (jōmu). The question now was whether or not the new head of the development division should be given the standard rank of vice-president. If he were made vice-president, B might be made unhappy, not only at not being chosen to head the new company, but also at having his rank effectively depreciated by the appointment to it of a new man. Moreover, vice-president A would almost certainly return to Marumaru in two or three years' time, when the subsidiary had been firmly established, and then there would be the problem of what to do with three vice-presidents.

The compromise was to have vice-president B take responsibility for both divisions, so that in name, at least, he controlled almost as much as the president himself; and to appoint new heads to both divisions, without, however, giving them the title of vice-president. The new head of the development division was given the additional responsibility of supervising the activities of the labour department, which was transferred from the executive divsion to the development division.

Fig. IV. 2

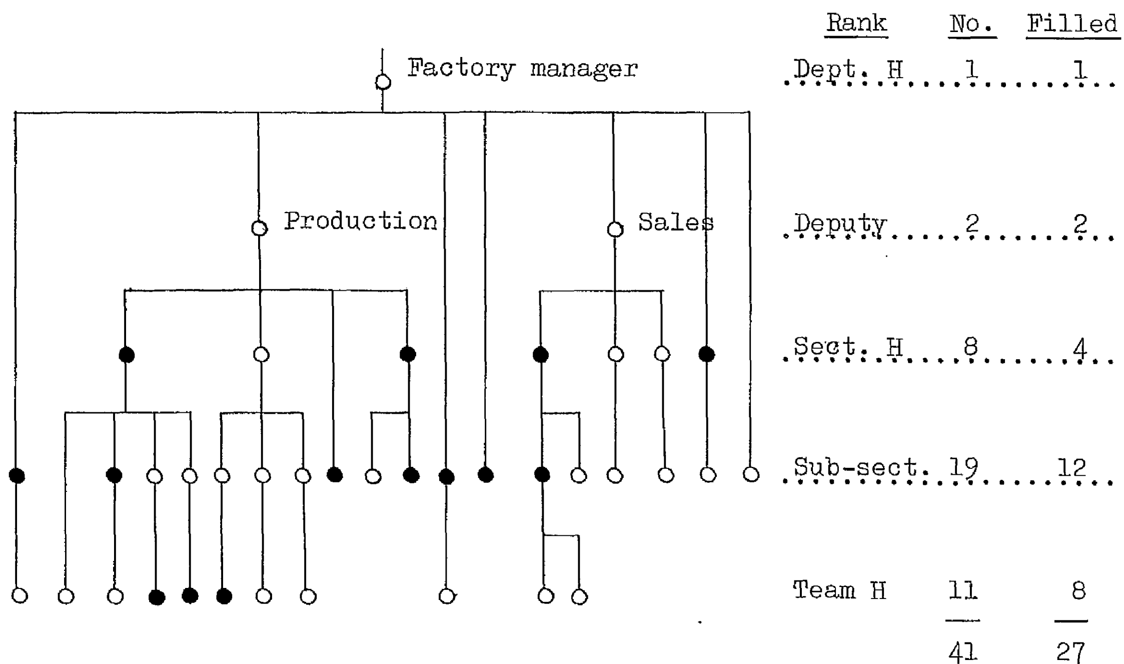


The change was presented to the company members as a major attempt to increase the efficiency of the factories (kakukōjō no kinō kyōka no tame). In point of fact, of course, it had very little to do with the factories, and was merely a means of redistributing responsibilities at the top of the company to the advantage of ordinary director P and vice-president B, without anyone's standard rank having to be altered. Most of the other allegedly fundamental changes in organization, which, as I noted earlier, occurred at least every year, took place for similar reasons.

When a similar problem arose as a result of transfers or movements of middle managers a different tactic had to be adopted, because it would have been impracticable to reorganise an entire factory for every transfer. Consider the case of a man, newly promoted to section head, who was put in charge of a unit usually headed by a deputy manager. Because the man had only just become a section head it would have caused resentment among other section heads and deputy managers if he were to be made a deputy manager on taking up the post. Yet it would have been equally unacceptable to decree that the unit would from now on be the province of a section head, for that would upset morale within the unit as well as the unit's relations with other parts of the organization. The solution was to give the section head effective charge of the unit, but subordinate him to an absent deputy manager.

This device was employed so often that the official organisation charts of middle management seemed full of gaps. I give below a diagram of the organization of Yokohama factory in which the black circles represent posts without holders.

Fig. IV : 3



At K-, twenty-five men were distributed over thirty-five posts; at T- the same number of posts was available, but there were only sixteen incumbents.

If, however, a section head was to be transferred to head, not a large unit, but one that had previously been in the charge of a sub-section head, the difficulties were much greater. The sub-section could be elevated to a section on the socially established principle that a section head should (if he headed anything at all) head a section. The creation of a new section would, however, imbalance the organization of the factory or department. Alternatively, the section head might be reduced to sub-section head, but only at the risk of causing much unhappiness. In one factory a section head, moved to a unit that principle and custom termed a sub-section, actually was re-titled 'sub-section head'. In order that the man's appointment should not be seen as a demotion he was accorded an exceptionally high grade, higher than anyone else in the factory except the plant manager. Even though the man's salary rose with his new grade, he felt himself demoted in the eyes of his contempararies. He became intensely conscious of matters of rank, even to the extent of having his name card printed, 'section head, such and such a sub-section.'

The inflexibility imposed on the organization by the rank system revealed itself not only in the problems that arose as a result of transfers, but also in the fact that reorganizations rarely took place in middle and lower management. Merging two units, for example, gave rise to all sorts of difficulties of precedence, and for this reason it was hardly ever attempted. I will speak in a moment of the only merger between units that had taken place in recent years. The organizational inertia at the middle and lower levels of management contrasted strikingly with the permanent flux at the top, though both were caused by the same difficulties of reconciling personal status and the functional requirements of the organization.

The upper management was aware of some at least of the problems caused by the standard rank system. The director with responsibility for the labour department, and the man responsible for the organization of the company, considered the standard rank system illogical because so few of the section and sub-section heads actually had functional units to look after. His aim was to replace the ranks by functional names which gave no clue to status.

In 1970 the president issued a directive that all the Japanese titles of those in the factory production sections should be changed to ones that were alleged to be English, and were apparently inspired by baseball.

Japanese	Literal translation	Marumaru English	Approximate western equivalent
Jichō	Deputy Manager	Product Manager	Production manager
Kachō	Section Head	Cap	Production supervisor
Kakarichō	Sub-section head	Sub-cap	Foreman
Hanchō	Team head	Chief	Shift leader

Unfortunately the company did not make its purpose in adopting these names very clear to the employees. Some people thought that the names were meant to uplift the spirits; others, that the company was going American. Furthermore, in different parts of the company the management seemed more or less enthusiastic about forcing the nomenclature into use. At the K-factory, the names appeared on visiting cards; but at other factories, and particularly Yokohama, they were scarcely heard. At any event, the names were almost universally disliked, largely because they sounded unnatural and because they made it impossible for outsiders to tell a man's rank.

There was no denotation, in these new names, of headship of a unit, so that had they been successfully adopted they might have eased certain of the organizational problems I have described. But the new names were simple substitutions for the old, and the old names continued to exist for comparison in other units of the company, so that some of the problems would have remained.

A second important attempt to do away with the standard ranks took place at the Yokohama factory when two sections of the factory administration were experimentally merged.* The two section heads were transferred elsewhere and the only man in the management ranks, a sub-section head, was set in charge of the new combined unit. All the members of the unit were given functional titles such as 'person responsible for materials' (shizai tantōsha), and these names actually appeared on their visiting cards. The experiment was therefore an essay in both horizontal and vertical reorganization. The attempt certainly seemed to have succeeded if only momentarily. The problem was not only how to reproduce the experiment elsewhere - for it would be difficult to make a habit of transferring unwanted section heads elsewhere - but also how to maintain the happy situation at Yokohama. At the time of the merger the people involved had all been young, and though it was unusual it was not upsetting that they should all be led by a mere sub-section head. But what would happen when they reached an age when they might expect promotion? Even at the beginning they were well aware that in other factories their jobs were being done by men of higher ranks.

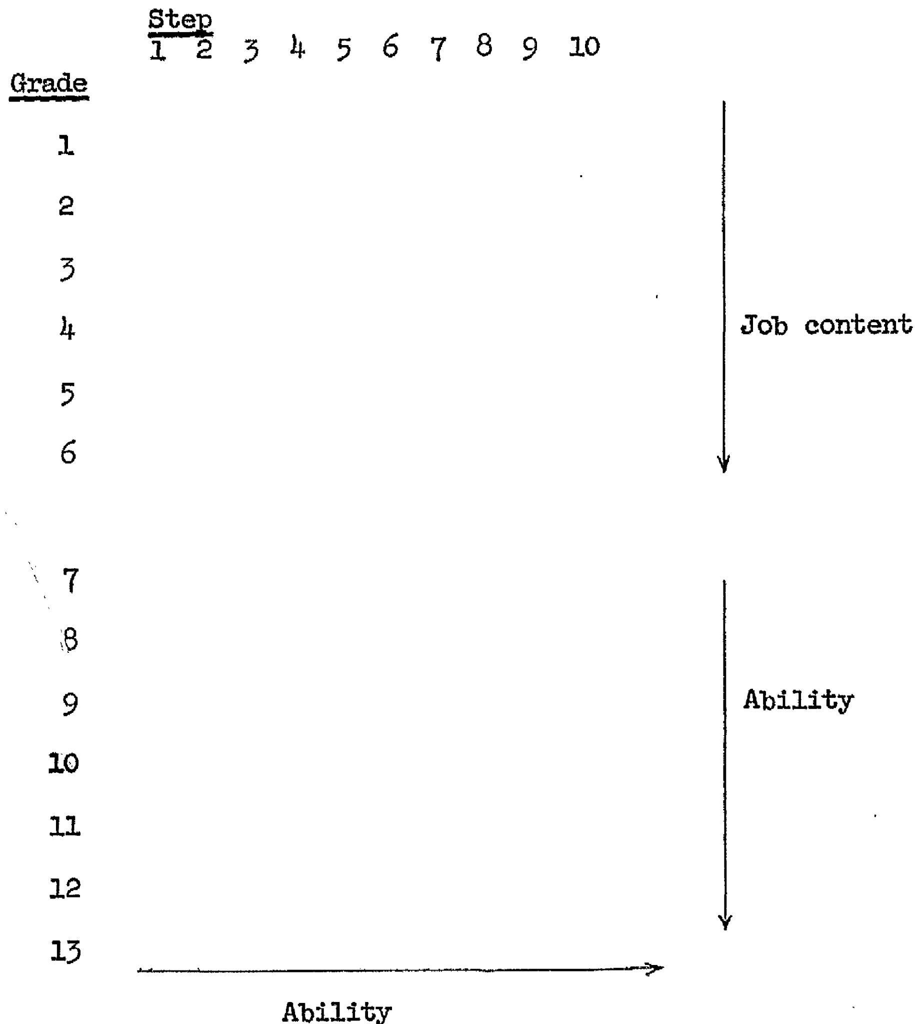
* The man in charge of the new unit told me that he had recommended the merger as a means of overcoming sectionalism, which he saw as endemic in Japanese organizations. He was pleased to say that the affliction had been cured. When I asked him if the main office labour department had been told of the experiment he replied firmly that it had nothing to do with the main office or the labour department. It concerned only Yokohama factory. In fact, as I said before, there was very little sectionalism at Marumaru. The main office labour department, incidentally, not only knew of the experiment but claimed to have initiated it. I shall be discussing later how successful ventures often had two or three original proponents.

The most systematic attempt to overcome the defects of the standard rank system had been initiated in 1964, six years before I entered Marumaru, and consisted of the establishment of a grade system. The theory was that status and pay should be determined entirely by the new grades, and that the terms 'sub-section head', 'section head' and 'deputy head' should be nothing more than descriptions of a man's functions. Each section could only have one section head, but if there were two equally able people within the section then the one who did not have the luck to become head would be given a grade which accorded him equal pay and status with the other man. Or again, a section head more able than section heads for whom a higher managerial position could not be found could be given the higher grade that conferred upon him the pay and status of a deputy head.

In principle the grade system was very simple. There were thirteen grades, and each employee was assigned to one, the directors being ungraded. Unfortunately, however, the criteria according to which the assignment was made were inconsistent. The lowest six grades each corresponded to work of a certain level of difficulty and responsibility. Workers doing the simplest tasks were automatically placed in the lower grade, those doing slightly more difficult jobs in the next grade, and so on. The sixth grade was reserved for those doing the most demanding jobs on the shop floor, the men who worked at certain points on the corrugators and printer slotters, and for those below the rank of sub-section head who did certain responsible office jobs. The upper seven grades, however, corresponded not with the nature of a man's job but with his personal ability, so that two men doing the same job might have different grades according to the management's view of their contribution to the company.

Within each grade there were ten steps:

Table IV. 1



The steps were supposed to indicate ability. If there were two men doing similar jobs on two printer slotters, for example, both would be in grade six, but the one with the greater competence would be on a higher step, and so receive more pay.

In practice, however, there was only a poor correspondence between step and ability or even reputation for ability. At the end of each year every employee automatically moved up one step within his grade. A man who had been doing a grade 5 job for six years would therefore be in the sixth step at least, regardless of whether he was better at his job than a colleague who was only in the third step. A

further complication came when a man in the lower six grades (where grade corresponded to job content) was moved from one machine to another. Every combination of grade and step corresponded to a rate of monthly pay. I give below the wage index for the fifth and sixth grades, where Grade I, Step I = 100.

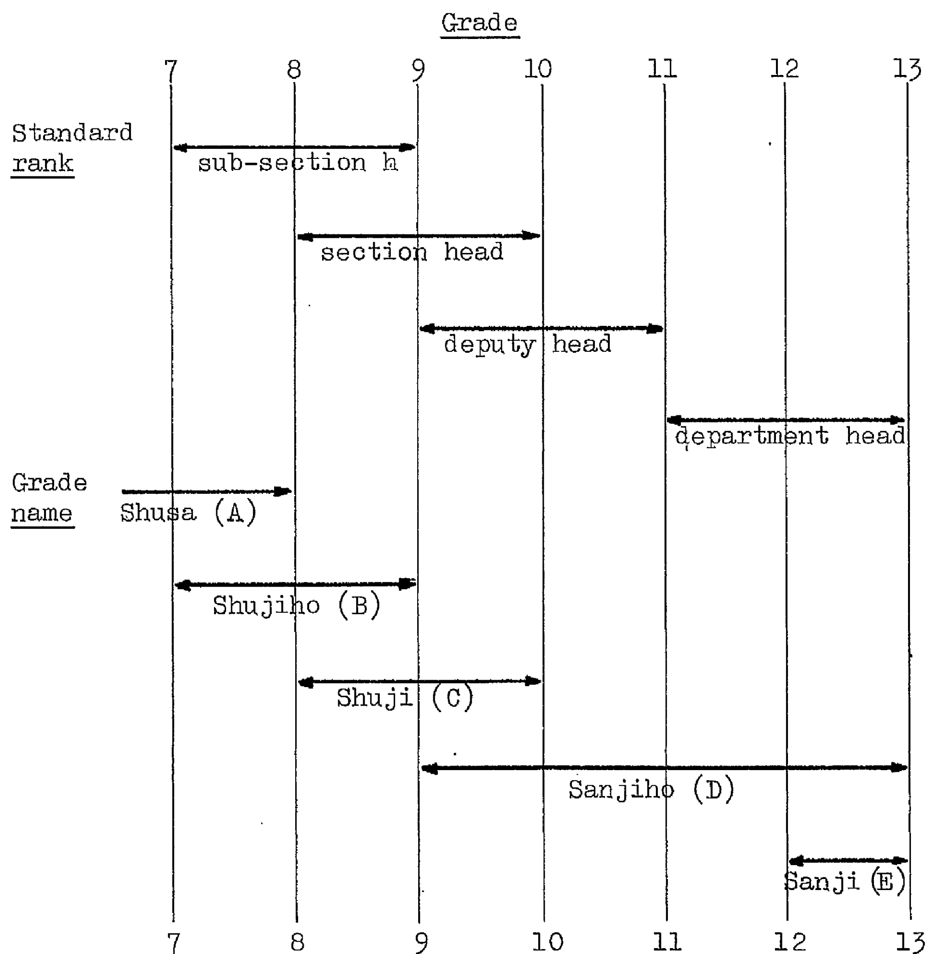
Grade	Step 1	2	3	4	5	6	7	8	9	10
5	150	157	163	170	177	183	190	197	203	210
6	183	191	198	206	213	221	228	236	243	251

Suppose a man doing a grade 6 job at step 2 had, for technical reasons not concerned with his ability, to be moved to a grade 5 job. Since it was considered unreasonable to ask him to accept a loss of wages, he would be moved to the step within the fifth grade at which his salary was nearest to, but higher than, his salary in grade 6. In this particular case, then, he moved from 191 (Grade 6 Step 2) to 197 (Grade 5 Step 8). Even if he knew nothing at all of the new work he would still be put into a step which was supposed to indicate great skill at it.

The inconsistencies in the grade system were one reason why the grade system was unable to supplant the standard rank system as the main indication of status in the organization. Another important reason was that however many privileges were attached to grades rather than standard ranks, those in the standard ranks were still called by their rank names. I noted earlier the case of a section head who was put in charge of a sub-section and given a high grade in compensation of his loss of standard rank. Though, because of his grade, this man's pay was as high as that of a deputy manager, he would probably have been willing to receive only as much as a sub-section head provided he could have kept his former rank of section head, and so have his title restored to him.

To encourage employees to pay more attention to the grades a set of grade-names was devised, and a list of correspondences between grades and standard ranks was drawn up. Those in certain standard ranks could be put in certain grades, and those in certain grades could be entitled to certain grade names:

Table IV. 2



The introduction of the grade names, besides permitting very fine gradations of status, did enhance the importance of the grade system. Employees found it easier to take pride in being a shuji (manager) or a sanjiho (assistant councillor) than in the insipidly numerical distinction of being rated 9/4 or 10/2 on the table of grades and steps. Nevertheless, the grade names, since they were not actually used in address or reference, conferred none of the prestige of honour of the standard ranks. The section head whom I mentioned earlier as having received a high grade and grade name in compensation for his loss of rank would probably have preferred to receive a sub-section head's salary and grade and retain his title.

The labour department director and other senior managers, in adopting new forms of organization and making this or that modification to the system of standard ranks, saw themselves as pioneers bringing in modern methods in spite of the hostile conservatism of the employees. But I do not think that the labour department had systematically considered the advantages and disadvantages of the system of standard ranks it was so anxious to alter; certainly it had not recognized the contribution of the standard ranks to unifying the community and linking different types of company member. It seemed to be fashion, more than reason, that was the motive for change; and sometimes fashion led Marumaru into inconsistencies. Though the company was supposed, for example, to be introducing a functional nomenclature and trying at the same time to remove the connotations of status from what remained of the standard ranks, just before I arrived at Marumaru a set of lurid and distinctive cap badges for each rank had been issued.

b. Age and ability in promotion

We have now to consider how people passed up the standard ranks in the course of their company careers, and the criteria by which they were selected for promotion.

In the ideal large Japanese company, employees would be promoted almost entirely by age (nenkō joretsu). Graduates who entered the company together at twenty-three or four would all become sub-section heads in their early thirties, section heads by the time they were forty, and so on. The careers of non-graduates might follow separate cours es, but the principle of promotion by age would be the same. Since not every member of a large intake of graduates could become president, there would have to be selection at some point in a man's career. It might well take place as a cohort of graduates approached the rank of department head, when a few of its members would be asked to join the board of directors, and would therefore continue to serve the company in their late fifties and sixties, while the rest would be retired at fifty-five and then be sent to join subsidiaries.

Even in 1970, Marumaru employees remained committed to the meritocratic ideal. I carried out a small experiment in which I showed various employees two graphs, one showing how salary varied with age among a cohort of employees in a meritocratic company, the least able employees of the intake receiving only half the salary of the most able after ten years service; the other the variation in salary with age in a 'traditional' large Japanese company in which the most and least successful members of an intake were earning almost the same salary after the same period. Most of the forty people I asked remarked that they would prefer to work in the meritocratic company, and they persisted in this opinion even when I postulated that an unsuccessful man in such a company would feel envious of his fellows, and that his envy would cause dissension throughout the company. I was frequently told that

an unsuccessful man who begrudged others their success should be made to leave the company. Though my survey was not scientifically planned, and though it was probable that some of the people I spoke to were giving the answer they supposed a westerner might want to hear, there seemed no doubt that pay and promotion by ability, at least as an abstract idea, was favoured by a majority of the employees as well as by the upper management.

Though these meritocratic sentiments persisted, conditions in the company had changed. It was becoming increasingly difficult for Marumaru, despite its intentions, to promote people according to ability, and the company was falling into the habit of promoting them (and as we shall see, paying them) by age and length of service.

One reason why it was now more difficult than before to promote men according to ability was that the company had grown to several times its original size. When Marumaru had been small, the president and directors had been on intimate terms with most of the employees, and certainly all those who were in the standard ranks. Now that the company employees a thousand people the senior managers knew less about their subordinates, and the problem of choosing the right man for the job was made greater by the fact that so many candidates had to be considered.

A second difficulty was that Marumaru had been steadfastly trying to establish a life employment system, to take in youngsters from schools and colleges, and keep them until retirement. Now the great advantage of promoting men by age, in a company committed to a policy of life employment, is that the practice helps reduce competition and jealousy among employees who are likely to have to spend much of their lives together (cf Hazama, 1971, p 28). By contrast, life employment combined with promotion by ability might give rise to an unpleasant degree of

rivalry among company workers. Marumaru employees might be prepared to say, in reply to my questions, that meritocracy was best, but in practice they might still resent the fact that able men were getting more pay and better positions than their contemporaries, even if their ability was unquestioned - and in practice, again, there might be more than one opinion of a man's ability. Finally, bitterness and rancour would be exacerbated because it was so difficult for so many people to leave the country.

For these reasons Marumaru had come to make promotions by age - or perhaps it would be more accurate to say that a group of men of the same age, provided they were of comparable lengths of service, would reach at least the lower standard ranks within a year or two of each other.* Because circumstances differed in different parts of the company, however, there were some exceptions to promotion by age, where young men had been given high ranks early in their careers.

In each factory there was an important division between the production and sales sides, each of which was headed by a deputy manager. The conditions in each of these sides were very different. The production side consisted largely of shop floor workers, most of whom had not continued their education beyond high school. As we saw in the last chapter, the turnover rate among young school entrants was very high.

* This problem of the lack of correlation of age and length of service made it difficult to find a statistical expression of the extent to which promotions went by age. These difficulties remained even if one omitted consideration of the mid-career entrants who made up the majority of company members. In Japan it is not unusual for a man to apply to enter university several years running until he eventually succeeds. As a result of the ages at which men graduate and join companies can vary from 23 to 28 or 29. The variation in age of entry contributed to variation in the age at which graduates first became sub-section heads. Even if there had been a simple way of allowing for the problems caused by differing lengths of service, there was still the difficulty that there were no standars of comparison, either with a large Japanese company or a meritocratic western one.

Because of this, the few school entrants who stayed stood a good chance of early promotion to the lower standard ranks. The company even offered them the opportunity of going to night school to get degrees, so that they would have a better chance of becoming deputy and department managers. There were also one or two young graduates who had come in from universities and done a year or two on the shop floor before moving into supervisory or administrative positions on the production side. For these, too, there were chances of early promotion. On the other hand, a large number of workers on the production side had come in from other companies; some of these mid-career entrants eventually reached the standard ranks, but at rather more advanced ages than the school entrants. The men in the standard ranks on the production side were a motley of old and young, graduates and non-graduates.

The sales side, by contrast, was staffed almost entirely by graduates; most of these had come into the company straight from university, and few of them ever left. The salesmen were so strongly conscious of matters of age and length of service that the company hesitated to promote younger men over the heads of the older ones, even though, since every salesman had his own individual pitch, differences of ability were clearly apparent. Promotion was therefore almost exactly according to age.

Some impression of the extent in which promotion went by age on each of the two sides can be had from the table below, which shows the ages of men of each standard rank doing production and sales at the Yokohama factory:

Table IV. 3

Rank	Ages	
	Production	Sales
Deputy Head	34	37
Section Head	37	34, 33, 32
Sub-Section H	36, 33, 33, 32, 31, 30	31, 31, 29
Team Head	39, 33, 29, 29	

On the production side subordinates were occasionally older than their superiors, and there might be considerable variation in the ages of men in any standard rank.

The production side, then, offered the best opportunities for men in the middle of their company careers. It was possible for shop floor workers, like many of the sub-section heads in the table above, to reach the standard ranks faster than the graduates in the sales sections. Graduates on the production side were able to do particularly well. There were four cases (besides that of the president) of men attaining high rank early, and in all of them the men had spent most of their careers in production. I give below the ages at which they had joined Marumaru and achieved each standard rank.

Table IV. 4

	Entry age	Sub-sect.	Sect.H.	Deputy	Dept.H.	Director
A	25	28	29	30	33	35
B	22	27	29	31	35	
C	22	26	27	31		
D (night school)	19	26				
Average age of promotion (graduates)		30	32	37	41	50

No similarly rapid progressions had ever taken place up the standard ranks on the sales side. If a salesman had been promoted as quickly there would, I believe, have been considerable distress among his fellows. There had been some trouble over A's appointment to factory manager at the age of thirty-three, but A was, perhaps, a difficult and inflexible man, and it may have been his personality more than his age which antagonized his fellow workers. Moreover there had been an unpleasant episode in A's career to which some people attributed his success. When he had been secretary of the company union he had deliberately and at his own discretion reduced the sum demanded at the annual bonus negotiations. A readily acknowledged the facts of the matter, but his interpretation of them was naturally different from that of his detractors. In his view the rest of the union, and especially the members of the union committee, had been at fault for not having had enough consideration for the company. None of the other successful men appeared to have encountered more than mild and temporary resentment on any of their appointments.

It was interesting that A, B, and C were all graduates of the same university, the national university in N-prefecture. I said in the last chapter that I did not believe there to be any university cliques (gakubatsu) at Marumaru, and the evidence (and the opinion of my informants) was that it was a coincidence that the three men had all been to N-University. None of the three seemed to have been an influence in the promotion of any of the others, and it was unlikely that those who had chosen them had done so because of their place of education. N-University was the 'best' one from which Marumaru regularly took recruits, and its alumni were certainly among the most intellectually gifted men in the company.

For graduates on the sales side - and almost half the two hundred graduates at Marumaru were salesmen - the prospects were of a slow and steady climb through the standard ranks. If, as was expected, the company grew more slowly in the future, so that there would be fewer positions needing to be filled in newly opened factories, then promotion rate might slow down. Indeed, it seemed that already the age of appointment to each standard rank might be rising, and that men were having to wait two or three year's longer to become sub-section heads than their seniors had had to, ten years earlier:

Table IV. 5

Present Graduate Section Heads* (No. = 16) became:

Section heads at	31.1 ± 0.4 years; the youngest at 28; the oldest at 34
Sub-section heads at	27.9 ± 0.2 years; the youngest at 27; the oldest at 30

Present Graduate Sub-section Heads (No. = 16) became:

Sub-section heads at	30.1 ± 0.5 years; the youngest at 26; the oldest at 34

A further problem which concerned the graduate salesman was the lack of opportunities within sales beyond the rank of section head. In each factory, which might have twenty salesmen, there would be one sales deputy head. Beneath him would be three section heads, and they in turn would command three or four sub-section heads or men of equivalent grade. The only possibility of promoting most of these

* Note that the figures refer to all graduate rank-holders, not just salesmen.

sales section heads and sub-section heads was to transfer them to the production side. The company had therefore made a habit of moving sales section heads to become production deputy heads. After ten or fifteen years of sales work, during which he hardly touched a machine, a salesman would find himself in charge of production on the shop floor.

One important effect of this practice was to dampen the spirits of those production section heads and sub-section heads who had worked their way up from the shop floor. Many of these had achieved promotion early, but now they found their chances of going further diminished by superiors who knew little or nothing about shop floor problems.

As graduate salesmen moved across into production - half the factory managers in the company had come up through sales (eigyō agari) - a distinction arose in practice between the careers of graduates and non-graduates. As I remarked in the last chapter, there was no formal division at Marumaru of the sort that is frequently found in large Japanese companies between staff and workers. Non-graduates had been able to rise as far as their ability would take them, and many of them had reached high positions:

Table IV. 6

	Graduates	Non-graduates	Total
Dept. Head	12	5	17
Deputy Head	14	8	22
Section Head	26	10	36
Sub-section Head	19	49	68

Though there was still no official reason why a non-graduate should not rise from the shop floor to become a director, yet it seemed more and more likely that the careers of non-graduates would end at the section head rank, and that the standard ranks above that would be increasingly the preserve of graduates.

As Marumaru was growing older and larger, therefore, it was losing two of the features which had distinguished it from the typical Japanese company. It was no longer able to be meritocratic in practice as well as theory; and it was finding it more difficult to provide equal opportunities for men of different educational levels. The fact that the company would one day be run entirely by graduates was accepted as inevitable and perhaps even desirable by the upper management. But the directors were dismayed to see promotion becoming more and more a matter of age, and genuinely worried that men of ability might be being overlooked, and their talents not be exploited.

The directors wanted a sure means of discovering ability among their subordinates and they also wanted to be able to measure that ability with such accuracy and objectivity that there would be no justification for complaints when an able man was rewarded with promotion. One device that might go some way towards fulfilling these requirements was an examination system, and at the time I left Marumaru the director in charge of the labour department was preparing to establish one. The union was strongly opposed to the scheme, on the grounds that it posed many practical problems over, for example, the question of who should do the examining, and that at the end it would be hard to say what the examination results would show. It

was possible to wonder what use the directors would make of the examination system when they already had some objective measures of ability - wasted time and paper for the sales supervisors and sales volume and profits on sales for the salesmen - to which, however, they were paying very little attention in determining promotion rates. It seemed that Marumaru was proposing to adopt an examination merely to follow the fashion set by certain large companies.*

During Marumaru's early days, when the company had been a small firm in the timber business in a remote prefecture, there had been little or no possibility of the firm's being able to offer its employees the kind of promotion by age characteristic of large companies. Most of the employees had been taken in from other firms, and not from schools, so that their ages were not correlated as they would have been in a large and long-established fir, with length of service or technical experience. In any case, as I have already emphasized, the company had been inspired by the president's example to a belief in the desirability of the rule of merit. Not merely senior directors but also ordinary employees had attributed the success of the company to its forward-looking policies of promotion, and had deprecated promotion by age as archaic.**

* I visited a man-made fibres company at which an extensive system of examinations was used not only for promotions but also in transfers. I was told that simply by preparing themselves for the examinations, men improved their standards as managers. Passing an exam was a necessary but not sufficient condition for promotion; and it was interesting that the personnel department occasionally ignored a poor exam result when they knew a man to be a good manager. The examination system had not only caused employees to become more knowledgeable about their work, but had also provided them with a greater degree of freedom in choosing what they wanted to do. If a man wanted to be transferred, he simply had to pass an exam that proved him eligible for work in the department he wanted to go to.

** In fact, meritocracy is not a particularly new idea in Japan. In the Tokugawa period, long before American business methods had impressed the Japanese, meritocracy, as opposed not to promotion by age but to heredity, had assumed great importance as a revolutionary ideal. (Smith, 1967, pp 71-90).

c. Decision making and authority

Many writers have observed that decisions are made in Japanese companies in a manner that requires the participation of large numbers of people, (Abbeglen, 1958, p 84; Glazer, 1969, p 88; Hazama, 1971, p 39-40). Such extensive participation is thought necessary, less to canvass the opinions of different types of manager, than to foster a spirit of unanimity, or at least the appearance of unanimity amongst all those likely to be affected by a decision.

At Marumaru, too, unanimity was thought very desirable in making decisions and putting them into effect. When it had decided on a measure, the upper management would appeal by means of lengthy discussions for the single minded support of at least the middle management. The scheme would be explained at committee meetings as an example of 'how the upper management was thinking' and the co-operation of everyone would be requested. The middle managers would be given two or three weeks grace to become familiar with the proposed measure, to talk about it amongst themselves, not only at work but also after it, in bars. If it appeared to the upper management that their subordinates were not yet convinced of the advisability of the scheme they might postpone its introduction until opinions changed; and if opinions did not change, the plan might be shelved indefinitely.

Sometimes, however, a decision would be executed even though the middle management were opposed to it, The opposition could hardly take an overt form. It was usually confined to mild criticism and to employees' withholding their usual enthusiastic co-operation with a measure. Within the closed community of Marumaru sporadic criticism repeated continually could seriously affect confidence in a decision; and by stinting their support for a project, middle managers could often induce their superiors to bring it to an end.

The 'English' names for the standard ranks, mentioned in the first section of this chapter, provide an example of how the upper management could be persuaded to alter a decision (though in this case a minor one) by the lack of enthusiasm with which it was received by middle managers and others. Some time before the formal notice appeared announcing the changes in nomenclature, the managers and senior workers at the Yokohama factory had been told the upper management's intentions at a routine meeting between management and union leaders. The production deputy head, who gave the news of the English names, clearly disapproved of them and was careful to let his disapproval show. His subordinates on the management side as well as the union leaders joined in jibing at the new names. The criticism continued long after the names had been made official; no single individual was blamed for them, 'the company' in general being held to have made an error of judgement. So one manager, during a lecture to the new school recruits about the organization of the company, apologised to them for the peculiar names with the remark that 'our company' (uchi no kaisha) did funny things sometimes. The director whom I suspected to have thought of the names (their authorship remained anonymous) was disappointed by the reaction of his subordinates, and complained of their old fashioned attitudes. Nevertheless, the criticism prevailed and the names were eventually abolished, eight months after I left Marumaru, at the first fundamental reorganization of the company (consequent, as usual, upon the transfer of a senior director) that permitted it.

In a later chapter I shall be describing how the union leaders with the sympathy of middle management, suceeded in forcing the upper management to rescind a far more important decision which

concerned the introduction of a type of shift working, simply by persistently criticising the decision even while they implemented it.

It was interesting and significant that just as in the case of the standard rank names, it was always difficult to find out who had originated a project or decision. If a scheme was proving a success then it appeared to have been a group project from the start (though occasionally there might be two originators, equally modest, but each unaware of the other's claims.) When a scheme was not successful, however, it belonged to no one. It had come from above, where these things were thought out, and no one seemed to know which director had been responsible for it.

Decisions originating with the president or the senior directors were floated, then, on the exchange of management opinion, and if they failed to receive support there they might be withdrawn. Not all plans or ideas, however, emanated from the directors. Many were formulated by lower ranking managers and put to the directors for approval.

The main means by which subordinate managers communicate their ideas to their superiors in large Japanese companies is the ringi-sho. A ringi-sho is a form on which proposals are written by middle managers. The forms are then circulated among middle and upper managers until they eventually reach the president of the company. Each person who sees the form adds his comments on the proposals, stamps his personal seal on an

appropriate space on the form, and then passes it to his superior. Eventually, often after a few modifications have been made to them, the proposals are approved by the president and put into practice.*

At Marumaru, too, there was a system of _ringi-sho_, but it worked differently from the way it has been said to work in other Japanese companies. To begin with, no one lower than a department head could initiate a proposal, so that at Marumaru the _ringi-sho_ did not serve the function it has elsewhere (Hazama, 1971, p 40) of training junior managers by acquainting them with the way their seniors handled problems. Even deputy heads at Marumaru did not always see the _ringi-sho_ forms.

Again, the operation of the _ringi_ system in other companies has allowed middle managers covertly but effectively to make their own decisions. (cf Glazer, 1969, p. 88; Nakane 1970, p 65). The proposals they submit on the _ringi-sho_ are frequently approved without being carefully studied by the managers above them, and by the time the proposals reach the president they have attracted so much support that he is unable to veto them and has to accede to what the majority of his

* There is an analogy between the passage of a _ringi-sho_ through the management of a Japanese company and the passing of judgements in a Lozi court of justice, in which all the many judges have their say, in order of increasing seniority, but in which the judgement of the most senior judge is final. (Gluckman, 1955, p 15). Just as the president of a Japanese company may be bound by the opinions of his juniors, so a senior judge among the Lozi would find his judgement influenced by what his juniors had said about a case.(ibid, p 235). See below, however, for the situation at Marumaru.

subordinates appear to want. At Marumaru, however, the authority of the president was so great that it would have been quite impossible for a department head to take the iniative in this way.

Most of the ringi-sho I saw were concerned with simple and uncontroversial matters, but I did come across one interesting application, made by a factory manager on behalf of his sales deputy head. The plant manager of a large electrical company which was one of Marumaru's customers had just become secretary of a local golf club. The deputy head wanted Marumaru to obtain company membership of the club at a special rate of ¥260,000. Ten days after his application was sent to the head office it was stamped by the head of the general affairs department, and sent to the accounts department head. The accounts department head was unhappy with the proposal and wanted to refuse the request, adding that in any case the names of those who were going to join the club should be stipulated. The director in charge of sales, who saw the form next, gave no explicit opinion, but merely noted the costs of joining as a member and as a company, the figures being derived from the brochure of the golf club which was attached to the ringi-sho. Two ordinary duty directors (jōmu) and two vice-presidents saw the form next. None of them committed themselves to any opinion. One reiterated that the names of the salesmen who were actually going to use the club should have been mentioned; another remarked that the output of the electrical goods factory was worth three thousand million yen a month. But no one, except the lowly accounts manager, said anything that could have been taken as an attempt to move the president's opinion, or would appear to clash with that opinion, whatever it might be. (In the event the president approved the request without comment.) Far from the subordinate managers forcing their combined opinions on the president, it seemed as though the power of the president, and the

certainty that he would have his own way, made his subordinates cautious of expressing their views.

The fact that a decision to spend only 260,000 yen, in a company whose turnover was 15,000m. yen, had to be taken by directors, vice-presidents, and finally the president himself, was an indication of how centralised Marumaru's organisation was. As in many rapidly growing companies (cf Drucker, 1971, pp 297-305) the upper management had been slow to realize the need for delegation of authority. At the same time, because the limits of the authority of the middle managers were often expressed in financial terms - managers of a certain rank being allowed, for example, to spend sums of thirty or fifty thousand yen without recourse to higher authority - the effective power of these managers was being reduced by monetary inflation.

If in most Japanese companies a middle manager can send up his suggestions to his superiors with some confidence that within time they will be adopted, at Marumaru the middle managers, who had remarkably little authority of their own, had sometimes to work hard to have even their routine requests sanctioned. When a middle manager had a new idea, or showed particular initiative, the difficulties of persuading his seniors might be even greater.

The head of the sales technical service (a deputy head) was sent on a visit to the United States to look for new corrugated board products that might be marketable in Japan. While he was there he discovered a remarkably ingenious box. He wrote to the designer asking for details of its patent and for the terms under which its production would be licensed. The reply was that the designer would allow Marumaru to make the box for a

royalty of ten percent on sales. Marumaru's average profit on each box was only fifteen percent so that the company could hardly have afforded such high royalties. The deputy head had not, at that time, persuaded his seniors of the value of the box, and not much thought had been given on how to market it. For all these reasons Marumaru's first offer was very small: a thousand dollars in the first year, rising by five hundred dollars in each subsequent year, all this regardless of sales. The negotiations were then entrusted to a major Japanese trading company which compounded the difficulties caused by the size and nature of the offer by mis-translating Marumaru's letters to give an unfortunate (but not entirely inaccurate) impression of Marumaru's intentions.

For two or three months desultory negotiations continued without success, while the deputy manager tried to persuade his seniors that the box could be useful. At the same time he sent some samples of the box to a sales section head at the Yokohama factory and asked him to show it to some customers to see if they might be interested. The sales section head showed the box to a very large drink manufacturer whose custom Marumaru had never managed to attract. The manufacturer showed immediate interest. It appeared that the use of the box would reduce the numbers of men required at the end of each packaging line from six to two. To begin with the drink manufacturer was willing to use the box for its most popular line of drinks. The orders that could have been expected from this manufacturer alone - and its rivals would be sure to follow suit - would raise Marumaru's sales by between five and ten percent. From being an amusing device for which a thousand dollars was sufficient payment, the box had become an item of immense potential.

I do not know the full details of the political battle the deputy head was waging on behalf of the box, but it seemed that at this stage he had enlisted the support of his immediate superior, the director in charge of sales. Salesmen told me that even if the boxes eventually proved unsuitable for use, the principle on which the box was constructed was so original that the samples were fascinating customers and proving a great aid to sales of routine products. But two other directors, neither of whom had ever been salesmen, and one of whom was not a direct superior of the deputy head, were more sceptical and it was they who were holding back progress.

Now the deputy head decided, in view of the failure of the negotiations so far, to deal directly with the American designer. He wrote a letter offering three percent on sales and $ 3,500 per 500,000 cases. No mention was made of the drink manufacturer; it was left to the Americans to imagine why Marumaru had raised its offer so suddenly and why it was thinking in terms of half millions of cases. The letter also implied that the average price of a box would be fifty yen; in reality it would be at least seventy - the higher the actual sales price the lower the royalties would be, as a percentage of sales. After the directors had spent a day checking the contents the letter was sent off and now, for the first time, the company began thinking of the next step to take. If the Americans refused the offer should a man be sent to America? If so should it be the deputy head? He had after all been the leading advocate of the box; he understood some English and had the additional advantage of being an engineer. Or should it be the sales director or even the director senior to him? It was also considered, if the Americans refused, that it might be a good idea to have one of the subsidiary companies send in a very low offer for

the rights for the box. The Americans, who would doubtless have failed to find out even the more elementary facts about Marumaru available in standard handbooks, would then come to realise how generous Marumaru's offer was.

Meanwhile it was observed, what should have been noted months earlier, that no machine in the company's possession was able to make the box, the design of which, though ingenious, was ill suited to machine production. A new machine would have to be designed to make the box at least semi-automatically. Two men in the research department were hurriedly put on to the job. At the same time, the drink company, anxious not to be dependent entirely upon Marumaru for its future supply of boxes, had shown the design to representatives of other corrugated board companies and asked if they could make it. Marumaru's position was therefore extremely difficult. It had offered a large customer an article which it was neither legally nor technically able to make; and because the drink company had never been told of Marumaru's state of unreadiness, Marumaru risked losing credit if it failed to make a machine in time, or was unable to secure the patent.

Long after I left Marumaru the story came to a happy ending. The deputy head was sent to America and there bought the patent rights on reasonable terms. The drink company, impatient though it was with Marumaru's delays, was sufficiently impressed with Marumaru's initiative to put in some orders for ordinary boxes. On another very similar occasion, however, Marumaru had been less lucky, and had tentatively introduced a new American product to Japan only to have another company buy the patent rights.

The problems in buying the box had been caused largely by lack of delegation - though xenophobia had compounded the difficulties. The deputy head had been sent to America at considerable expense, but his efforts had been vitiated because neither he nor his immediate superior, the sales director, had been allowed to use their initiative in the spending of sums of money comparable with the cost of the American tour. They had had to spend much of their time arguing their case before the higher directors instead of preparing systematically to produce and sell the box in Japan.

The two main distinctive features of the process of decision making at Marumaru were, therefore, the extent to which large numbers of people participated in making a decision, whether it originated with upper or middle management; and the centralization of authority. I should like to end by remarking on the disregard for specialization that was also evident in the way decisions were taken at Marumaru.

It was considered permissable for a director to propose a change in a department for which he had no responsibility - the director suspected of having thought of the English names for the standard ranks had nothing to do with the production department of the main office, or with factory administration. Again, the ringi-sho provided opportunities for men with little knowledge of a subject, to prevent or, as in the case of the American box, to delay the execution of plans drawn up by men who might have counted as experts in their field. It was the same disregard for specialization that allowed the company to transfer salesmen to take charge of factory production units, in order to maintain the rate of promotion for graduates.

d. Conclusion

The principal features of the organization of Marumaru, then, were the standard rank system and the absence of administrative classes; the contrast between meritocratic organizational theory and promotion by age in practice; and the combination of collective responsibility and centralized authority.

Evidently these characteristics were due in part at least to Marumaru's history of rapid growth from a small company to a large one. The fact that there was no formal distinction between staff and workers was a legacy of the days when, in a small company engaged in a simple industry, such a distinction would have been purposeless. The urge to meritocracy was obviously inspired by history, and the centralization of management equally clearly the consequence of growth that had occurred too fast for necessary adjustments in management method to take place.

On the other hand it is very likely that, for all that Marumaru's circumstances were unique, the observations I made of its organization have relevance to Japanese companies with quite different histories. Standard ranks almost identical with those at Marumaru are to be found in most large Japanese companies, and it is very possible that at them, as at Marumaru, they help to bridge divisions between different types of company member. It is probable, also, that the problems of reconciling the claims of age and merit occur in other companies with, perhaps, a far weaker tradition of meritocracy.

In future chapters we shall see how the nature of the organization at Marumaru affected relations between the company and company members, between the company members themselves, and finally between management and labour. First, however, we have to consider a most important part of the organization, which had an obvious importance for all these relations, the organization of the pay system, which so far I have only touched upon, in dealing with the grades.

CHAPTER V WAGES AND BENEFITS

The wages system, as part of the organization of Marumaru, naturally manifested some of the characteristics of that organization. Company members of different types, for example, were paid according to a uniform system, just as they were placed on the uniform system of standard ranks. The pay system, like the standard rank system, (with which it was, of course, connected), contributed to the unity of the community. The pay system also exemplified the difficulties of reconciling age and merit that we saw to occur in the promotion of men through the standard ranks.

I have chosen, however, to deal with the pay system in a separate chapter from the rest of the organization partly because its complexity required lengthy explanation, but more because the pay system had unique significance both as an indication of the company's position in the labour market, and of the relations between company and employee.

After I have given the main details of the pay system, therefore, and remarked, in the second section of this chapter, on those features of it that exemplified the principles of organization at Marumaru, I shall devote the third section to considering how the pay system was affected by labour market conditions. The shortage of young workers was requiring Marumaru to raise the salaries of young employees relative to older ones. There was also the problem of paying fair wages to the ever increasing numbers of mid-career entrants. We shall see how the wage system had to be adjusted to overcome these difficulties.

In the fourth section, on pay and paternalism, I shall be looking at the wages system as an indication of the company's view of its responsibilities to its employees. Abbeglen (1958, p 66) interpreted the system of pay and rewards in large Japanese companies as an

expression of the company's willing, if not spontaneous concern for a wide range of the needs of its employees. I shall try to assess how far Marumaru's pay system was indeed imbued with paternalism, before going on, in the next chapter, to a more general discussion of the relations between company and employee.

a. Salaries and Benefits

It will be convenient to distinguish two types of reward employees received for serving the company: salaries, their monetary remuneration; and the non-monetary rewards that might be described as 'fringe benefits' were often substantial, and in order not to give the impression that they were ornamental or of marginal importance I shall refer to them simply as 'benefits' from now on.

1. Salaries

An employee's annual salary consisted of monthly wages and a large bonus, paid out twice a year, and representing several months' wages. The monthly wage, in terms of which the bonus was calculated,was itself made up of a number of payments and allowances. These payments and allowances at Marumaru were very similar to those involved in the salary systems of a great many Japanese companies which, like Marumaru, had thought it expedient to modify single pay by age systems in order to cope with changes in labour supply, and to allow at least token recognition of merit. (cf Ballon, 1969, p 123). No doubt, these companies, like Marumaru, had taken their salary systems from one of the many personnel management textbooks available.

A. Monthly pay

The main components of monthly pay were base pay, a 'work and ability' (shokunō) payment, a responsibility allowance for those in the standard ranks, or alternatively a grade name allowance, a family allowance, a city allowance or cold weather bonus, overtime and shift pay. In addition Marumaru paid an employee's fares to work.

i The base pay

The base pay, which represented between twenty five and forty per cent of the whole monthly wage, was fixed entirely according to age and sex. A fifteen year old boy who entered the company in 1970 would receive 13,400 yen. Thereafter, assuming that wages remained frozen, he would receive an extra six hundred yen a month every year until he was eighteen. Between eighteen and twenty two the increment would be a thousand yen a year, but from then on the rise would be less, so that in his early fifties the man would only receive an extra three hundred yen in monthly pay every year, until he retired at fifty five. Women, who received a slightly lower base pay than men, with smaller increments, had to retire at forty five.

ii The work and ability payment

The work and ability payment had been introduced as part of a major reform of pay in 1965. I have already given a partial account of it in discussing the status system in the last chapter. The payment was made according to a table of grades and steps, the grades representing the difficulty of a job or the responsibility attached to it, and the steps the ability of the man to do that job:

Table V 1

Grade	Step 1	2	3	4	5	6	7	8	9	10
1	11.2	11.7	12.2	12.7	13.2	13.7	14.2	14.7	15.2	15.7
2	12.4	13.0	13.6	14.2	14.8	15.4	16.0	16.6	17.2	17.8
3	13.8	14.5	15.2	15.9	16.6	17.3	18.0	18.7	19.4	20.1
4	15.4	16.2	17.0	17.8	18.6	19.4	20.2	21.0	21.8	22.6
5	17.3	18.2	19.1	20.0	20.9	21.0	21.8	22.7	23.6	24.5
6	19.8	20.5 etc, with increments of 1.0 in each step.								
7	22.2	23.3 etc		increments of 1.1						
8	24.9	26.1 etc		increments of 1.2						
9	28.3	29.8 etc		increments of 1.5						
10	33.0	35.2 etc		increments of 2.2						
11	39.2	42.4 etc		increments of 3.2						
12	47.4	51.6 etc		increments of 4.2						
13	59.3	64.5 etc		increments of 5.2 to:				100.9	106.1	111.3

(The pay is given in '000 yen)*

As I remarked in the last chapter, the grades did not always correspond to job content. Instead the upper seven grades rated the 'expertise and aptitude of the employee', regardless of what job he did. And the steps did not register ability, because employees were automatically promoted one step each year; furthermore, as I explained earlier, when a man was assigned a new grade he also had to be given a new step so that he need not suffer a drop in pay.

It can easily be seen that the work and ability payment increased geometrically as a man rose in the company. By contrast, the base pay increased only arithmetically with age. For a man who was just beginning his career, base pay was the most important component of his monthly wage; but for a successful man in mid-career, the work and ability payment would be far more important. The geometric increase of the work and ability

* These figures, and all the others in this chapter, except where otherwise indicated, are for 1970.

payment also made it possible for very great differences of pay to arise among people of the same age and the same standard rank. A section head of, say, forty could, for example, be placed in any grade from 7 to 11, and his work and ability payment could be as little as 22,200 yen and as much as 68,000 yen. The difference between the greatest and least work and ability payment, 45,800 yen, was two thirds as large again as the base pay for the age, 27,200 yen.

iii The responsibility and name grade allowances

One of the principal aims of the company in instituting the name grades had been, it was said, to compensate those who had not been appointed to positions of responsibility, and yet nevertheless contributed to the company's prosperity. Those in the standard ranks received responsibility allowances, but their less lucky contemporaries would be given name grades equivalent to the standard ranks, and would receive name grade allowances smaller than the responsibility allowances for the equivalent standard rank, but equal to or larger than the responsibility allowance for the standard rank below.

Table V 2

	Responsibility Allowance		Name grade Allowance
Department Head	25,000 yen	Sanji (E)	18,000
Deputy Head	15,000 yen	Sanjiho (D)	10,000
Section Head	10,000 yen	Shuji (C)	7,000
Sub-section Head	7,000 yen	Shujiho (B)	5,000

A factory manager, for example, would receive 25,000 yen a month as a reward for responsibility. His deputy, if he were of the *sanji* (E)

name grade, would receive not a 15,000 yen responsibility allowance but a name grade allowance of 18,000 yen. The effective reward for the considerable responsibility of running a factory would appear to be only seven thousand yen a month, a tiny fraction of the manager's pay. Sub-section heads were even more meagrely rewarded for responsibility - they received only two thousand yen a month more than men of the same age who were still team heads.

Though the ostensible reward for responsibility was low, in fact a factory manager could be given a very much larger wage than a deputy manager, simply by being rated higher on the work and ability scale. The ratings appropriate to the *sanji* name grade varied between 11/1 and 12/10, so that the greatest possible difference in the work and ability payments of men of this name grade was 45,000 yen - compared with the 7,000 yen difference between the responsibility allowance of a factory manager and the *sanji* name grade allowance.

The work and ability ratings did not work so effectively, however, in rewarding sub-section heads for their responsibility, because the differences between the payments for different grades and steps were not very large at this lower level. Because of this, and because of the small size of the responsibility allowance, sub-section heads received very little more pay than the men they supervised. Indeed, they frequently received less, for as members of management they were not eligible for overtime pay.

iv The family and city allowances

For each dependent an employee would receive two thousand yen a month. In addition to the direct family allowance he would also receive a larger city allowance than he would as a bachelor. The city allowance depended also on the name grades:

Table V 3

	Married	Unmarried
Sanji (E)	10,000	-
Sanjiho (D)	8,000	-
Shuji (C)	7,000	3,000
Shujiho (B)	6,000	3,000
Shusa (A)	5,000	2,000

Most men married between the ages of twenty four and twenty eight by which time they would very probably have reached the Shusa (A) name grade. On marriage, therefore, a man's salary would increase by 5,000 yen, two thousand yen in dependent's allowance, and three thousand as an increase in his city allowance.

The city allowances were paid to those working in the factories near the great metropolises; but those in the rural factories received instead a 'locality' or 'cold weather' allowance, one thousand yen less than the city allowance. In effect, then, those living in cities were not compensated for the very considerable extra expense of city life.

v Overtime and shift allowances

All the components of the wage apart from those described above were counted as non-standard wages, and some of them, like the commuting allowance, need no explanation at all. Overtime and shift payments, though uncomplicated, did contribute a large part of the salaries of shop floor workers, and therefore deserve a word of comment.

Everyone below the rank of sub-section head had to clock in in the morning and on leaving work at night. For work outside the set company hours (8.30 - 17.30 in the head office; 8.00 - 17.00 in the factories) workers received 125% of their

hourly pay, unless the work took place between 22.00 and 0.500 when the rate would be 150%. The hourly pay was calculated as the one hundred and ninety secondth part of the monthly pay. To receive overtime pay, however, one had to have certification from one's senior that overtime was necessary. In fact a vast amount of the work done outside normal hours was not rewarded at all. In the factory office, for example, the salesmen were invariably working until seven or eight at night, but without pay, because, as they remarked with resigned irony 'overtime is a sign of a man's inefficiency, and we are efficient.'

Finally, there were shift allowances of a few hundred yen for each shift, paid at different rates to ordinary workers and sub-section heads:

Table V 4

	Evening Shift	Night Shift
Sub-section Head	300 yen	500 yen
Ordinary worker	230	330

Marumaru factories worked on a three week shift cycle, with each team doing first night shift, then evening shift, and finally a normal day shift If in a month an ordinary worker happened to do two weeks of evening shifts and a week of night shifts, his monthly pay would rise by 4,740 yen, around ten percent of his salary.

vi A case study

To see how a monthly pay packet was made up in practice, let us take the case of a sub-section head of thirty two and nine years service in December 1969. His monthly wage had progressed as follows over the previous few years.

Table V 5

Year	Month	Base Pay	Work and Ability	Respons-ibility	Family	City	Total
1965	12	14600	13250	1800			29650 yen
1966	12	16040	15150	1800			32990
1967	12	17340	19300	3000			39640
1968	12	19700	23100	3000		2000	47800
1969	2	19700	23100	7000		3000	52800
1969	10	19700	23100	7000	2000	5000	56800
1969	12	22300	29700	7000	2000	6000	67000

It must be remembered that the man's increased pay derived not only from his promotion and the rise in his basic pay with age, but also from the general wage rises in each year - as Japanese put it, the 'base up'. What is significant here is not the absolute sum but the proportion of the whole salary contributed by each component.

The first thing to notice is the way in which the contribution of the base pay fell, and that of the work and ability payment rose, as the man progressed in the company. From being almost half the salary, the base pay fell to less than a third. As the man grew older the work and ability payment could be expected to form an even bigger proportion of his salary.

The figures also reveal the effect on the man's salary of promotion to sub-section head and of marriage. He had become a sub-section head in February 1969, and his promotion had been accompanied by a rise in salary of five thousand yen. His work and ability payment was not increased (though he was given a higher rank at the end of the year) but he received an increase of four thousand yen in his responsibility allowance, and a thousand yen increase in his city allowance. His promotion would also have caused adjustments in his non-standard pay. He would have gained

an increase in shift allowance, with a resultant gain of about two thousand yen a month. He would, however, have lost his rights to overtime payment, about 270 yen an hour. If, in his previous position as team leader, he had done thirty hours overtime a month, his loss would have been 8100 yen, and his salary would have been larger before than after his promotion. When the man married in October of the same year, his salary rose by four thousand yen immediately, and by another thousand yen two months later, when the city allowances for married men were raised. So he probably gained more from his marriage than his promotion.

B. The bonus

The company paid out bonuses twice a year, in December and late June. Each November there were negotiations with the union over the size of the bonus to be paid at the end of that year and the middle of the next. After the end of the negotiations there was a month of furious work for the labour department, which not only had to calculate and pay each individual bonus before the New Year holiday, but also had to allocate new ranks and grades, and work on the general increase in monthly wages, or 'base up' which took place at the same time. Though the proportion of annual remuneration paid out in the form of bonuses was lower at Marumaru than at some companies, it was still a substantial part of the total. In 1970 the total bonus was equivalent to five and half months' pay per head; in 1971, the bonus rose to six and a half months. The average annual bonuses over recent years had been:

Table V 6

In the company year ending in:

	1970	1969	1968	1967	1966	1965	1964
Full company members:							
Married	239	188	130	95	81	65	60
Unmarried	164	130	109	75	61	48	44
Probationers: high and middle school graduates within their first year.							
Married	202	160	94	65	51	39	37
Unmarried	123	100	89	60	46	38	36

Even though it was thought that all workers had a right to receive a bonus (and indeed the size of the bonus was a matter for bargaining) still the actual amount of money paid to each employee was supposed to be in proportion to his efforts and achievements over the previous year. The process of calculating individual bonuses was involved and arduous, involving the most time consuming work that the labour department had to do. The directors announced the bonus for the coming year as a multiple of the monthly salary. This was the norm from which individual bonuses were reckoned. Shortly after the average bonus was announced the labour department distributed a 'self examination sheet' to every employee.

The self examination sheet consisted chiefly of a list of questions investigating the employee's attributes and potentialities. The questions were entered under the heading of: 'attitude to work', 'comprehension', 'knowledge', 'ability to co-operate', 'sense of responsibility', 'positiveness', 'capacity for execution', 'discrimination', 'skill and experience', 'communication', 'leadership', and 'general performance' - the proportion among these of rather abstract categories should be noted. In each of the twelve or so subject sections - the forms differed slightly according to the rank of the employee - there were four or five questions. The first question would ask whether the employee excelled in that department, the second whether he was good, the third whether he was average, and so on:

<u>Sense of Responsibility</u>	1	2	3
a. The employee works as hard as possible with an outstanding sense of responsibility.	a	a	a
b. The employee has a strong sense of responsibility and works with a will.	b	b	b
c. The employee does his work responsibly for the most part.	c	c	c

The employee answered these questions by ringing the appropriate letter in the first column, 'c' for example, if he thought his sense of responsibility was average. When he had marked himself in each section he handed the sheet to his immediate superior, who was supposed to mark his opinion of the employee using the same method, this time ringing the letters in the second column. The immediate superior was also supposed to discuss his assessment of the employee with the employee himself, but in practice there were many departments where this was not done. Next, the sheet went to the department head or factory manager, who filled the third column.

At the end of the self examination form there were a number of questions addressed to the department head. Was the man suitable for promotion? Would it be better to move him to another job? Had he undertaken any kind of training during the year, and what was the result? In the eight hundred or so forms filled in, in 1970, these questions had been answered in fewer than twenty, and even then it was unlikely that the labour department took the time to make much study of them at such a busy juncture.

Though everyone knew that the self-examination form had some bearing on the size of the bonus, almost no one below the rank of department head had a clear idea of how the bonus was calculated from the results of the self-examination. In fact, only the third column on the form, that in which the department head had noted his opinion, was taken into account. In those departments where the immediate superior no longer discussed the form with the employee in question, therefore, there seemed to be little point in

having the first two columns filled in at all. For every 'a', 'b', 'c' or 'd' ringed by the department head the man received a certain number of points. The points were first added and then adjusted so that comparison could be made between people of different ranks who had to answer different numbers of questions. The average mark for the whole company was then determined, and the employee was then given the placing A, B, C, D or E, according to how he differed from the average. In practice an employee's placing was not always in strict accord with the number of points he was awarded, for after the labour department had finished calculating the number of points, a conference of department heads was called in to eliminate any anomalies that might have appeared.

About 5% of the employees were given the best and worst placings, A and E, 15% were given B or D, and 60% the average placing, C.

The unit used in computing the bonus was the monthly salary less the city allowance. This was multiplied by the number of months previously decided at the union negotiations. Individuals then received percentages of the average bonus according to their placing:

A 115% B 108% C 100% D 93% E 85%

When a man received his bonus he could easily calculate his placing by comparing what he had received with the norm in terms of his own monthly pay. But those in the standard ranks above sub-section head, because they were considered to be managers, occasionally had a few tens of thousands of yen cut off their bonuses because the company was finding it difficult to make ends meet. If this happened, as it did every three or four years, those in the standard ranks were unable to tell from the sizes of their bonuses whether they had been well thought of or not.

C. Separation Allowances

The bonus could be thought of as a deferred payment, part of which was made at the end of the year, and part six months later, half way through the next year. The separation allowance, too, was a deferred wage, but one postponed for rather longer. The computation of this allowance was a little complicated and I will not take the time to detail it. The most important feature of the allowance was that it was calculated on one of two scales, one for those who left on retirement at the proper age (*teinen*), or at the request of the company;

the other, and rather lower scale, was for those who left their company at their own request. Women received a separation allowance on the higher scale not only at retirement but also on marriage which was regarded as their natural fate. In all these features, the separation allowance at Marumaru was similar to those in other companies.

Retirement at the company's request was not the same thing as dismissal. If it was no longer possible for the company to employ someone on terms both to the company's advantage and under conditions that the employee had a right to expect, the company might ask him to retire before his time. There had in fact been only a few occasions in Marumaru's history when employees had been asked to retire. One arose when the company decided to move some of the main office departments from central Tokyo to the country. The young men of these departments were all going to be rehoused in company hostels, but no provision was made for the girl workers, who were all living at home in Tokyo. Since it would have been unreasonable to ask them to move fifty kilometres into the country and find their own accommodation, the company asked them to retire.

The separation allowances paid out on both scales grew geometrically with length of service. A man who left the company after a year would receive only ten or twenty thousand yen; a man who had worked twenty years would receive several million. The difference between the two scales was always large, though it became relatively smaller the longer an employee had served. Let us take the example of an employee

approaching fifteen years service with the company, who had reached only the rank of section head and whose prospects of further promotion appeared poor, even though his contemporaries were deputy heads. At the age of 40 he would be earning a monthly salary of 85,000 yen. If he were to retire at the request of the company he would receive 854,000 yen, ten months' salary. If he waited until he had done twenty years of service, and then left the company he would receive one million yen (assuming that his pay reached only 100,000 yen a month.) If he retired after twenty years at the company's instigation, he would receive 2,200,000 yen. If, as a final alternative, he decided to stay on until the usual retirement age, and assuming that he then reached a salary of 150,000 yen he would receive a parting present of 5,568,000 yen; and in addition he would be

automatically re-employed as a shokutaku worker at 80% of his salary as a full employee.

It can be seen how, like the prevalence of the age seniority system in Japanese industry, the system of separation allowances worked to discourage employees from resigning from the company once they had served more than a year or two. Only at the beginning of a man's career was the loss of separation allowance small enough, and the prospects elsewhere cheerful enough, to make it worth his while to leave. I mentioned in an earlier chapter that the company would occasionally suggest to a man that his resignation would be in everyone's interest, and, rather than sack him outright, force him out of the company by moral pressure. It can be judged how great this moral pressure had to be to cause a man to submit and involve himself the loss of hundreds of thousands of yen as well as a career.

Marumaru's separation allowances were not generous by the standards of the largest Japanese companies, and they were quite inadequate to guarantee the livelihood of retired employees. A shop floor worker who retired at fifty-five with three or four million yen would not have been able to afford the house he would have needed to shelter him after he had left his company lodgings. It would have been quite impossible for him to live from then until the age of sixty, when he became pensionable, without working - and usually he took up the automatic offer to continue on in Marumaru as a shokutaku. Women had to retire earlier, at forty-five, and for them the position was even more distressing. Since Japanese government pensions only amount to a few thousand yen a month, it was not suprising that most of the older employees were worried about the future.

The company was well aware of the inadequacy of the separation allowance but it was neverthless reluctant to increase it. Though Marumaru was still only a young company and there were only three or

four people retiring every year, the age structure of the employees was changing, and the company was growing older. Within ten or fifteen years the ever increasing numbers of recruits brought in ten years earlier would be reaching retirement age and if the company raised separation allowances too high, Marumaru would find itself paying out enormous sums in the future. It is not uncommon for small Japanese firms to go out of business because they are unable to meet obligations to their ageing employees - these obligations not being merely separation allowances but also age-based salaries. (Ballon, 1969, p 163). Though Marumaru was far too firmly based for such a catastrophe to occur, nevertheless the company could not afford to ignore inexorable demographic tendencies.

2. Benefits

There was a miscellany of ways in which Marumaru provided its employees with benefits which did not involve, or only indirectly involved money. It was hard to classify these benefits rigorously but they could be considered under three headings. The first and simplest type of benefit would be paid holidays; the second the concrete items of company provenance: work clothes, pleasure trips and above all housing; the third would be the use permitted to company members of company amenities and the company's name.

A Paid holidays

Marumaru worked a six day week, but employees were allowed to take off one Saturday a month to 'think about the company', hence the term 'Thinking Holiday'. Apart from Sundays there were nine days of national holidays, and a day, usually in the autumn, devoted to the company outing. The company would usually close the factories for two or three days after the most important festival of the year, New Year's Day, so that it would be fair to say that there were two weeks of holidays besides the Thinking Holidays, scattered over the year.

Employees also had an allowance of paid holidays according to their length of service. In 1971 the allowances were as follows:

Years service	1	2	3	4	5	6	7	8	9	10+
Days paid holiday	9	9	9	10	15	16	17	18	19	20

In theory, then, nearly everyone was able to take a week off in the summer and go on holiday. In fact, however, only the more junior people took off their full holiday allowance, or anything like it. The more senior a man was, the less likely he was to spend more than a day or two away from work. The moral pressure on someone in the standard ranks, and even an ordinary worker, to waive his holiday allowance was very great. Some years before my arrival at Marumaru, the company had published a manual of 'Workplace Etiquette', in which a section was devoted to taking leave. There was a short introduction in which the right of people to take holidays was defended as a feature of modern democracy; there then followed two pages of provisos. The employee who took a holiday had to make sure he caused no nuisance to the company. He had to give plenty of notice, and it would not do if he took off time during a busy period. On no account was he to go on holiday and leave uncompleted business. Nor should he do anything on holiday that would detract from his ability to work when he returned; he must not, for example, travel all night on the last day of his

holiday so that he was unfit for work in the morning. He must also think of the extra work his holiday might cause his superiors, colleagues and juniors. It was not surprising that most employees succumbed and contented themselves with two or three days off throughout the year. Exactly the same compunction prevented people from taking even their Thinking Holidays; for on Saturdays there would be only seven men on a machine or in a section, instead of eight, but there would still be eight people's work to be done. Secure in its hold on its employees consciences, the company was able to increase its holiday allowances without having to worry that they would be used.

B Company provisions

Just as Marumaru's pay was not outstandingly large compared with bigger Japanese companies, so its offers of free or discounted goods and services to its employees were not particularly generous. It gave its employees working clothes, cheap canteen meals, departmental trips to the sea, rooms in its own villa at a hot spring resort, facilities for baseball and other sports (though only in some areas), and above all, housing. Virtually all the unmarried men employed by the company lived in company hostels, and perhaps as many as a third of the married men had company flats or houses.

The usual rent in company housing or accommodation was five thousand yen a month. For this bachelors received a tiny room, two meals a day and a share in communal amenities which at two factories extended as far as a swimming pool, but at Yokohama were extraordinarily bad. Married men were given houses or flats worth four or five times what they paid for them. Nevertheless, other large Japanese companies charged far lower rents for company houses.

The attitudes both of the company and the employees towards company housing was ambivalent. The company recognised the need of its employees for decent housing within a reasonable distance of work,

and was well aware that other Japanese companies provided a higher proportion of their employees with housing than did Marumaru. Yet the company resented having to spend large sums of capital on housing. On one occasion the labour director remarked to the union that Marumaru was not in the housing business, and that it would be far better not only for the company but also for the employees themselves if employees bought their own houses in instalments. Not only were Marumaru's wages too low, and the price of land too high, for this to be possible, but there was also the problem of staff transfers. And though the employees would often compalin that there were not enough company houses, at the same time they showed every sign of reluctance to go into company housing and particularly blocks of company flats. Though the housing standards were far better than anything they could have afforded without the company's help, and though the provision of company housing was worth fifteen or twenty thousand yen a month in wages, nevertheless being housed by the company meant loss of freedom and privacy and the encroachment of the company upon home life.

In paying money wages, Marumaru seemed to take great care to be as equitable as possible, distributing bonuses and allowances with scrupulous precision. Indeed, it could have been said that Marumaru was over-equitable in paying wages, compensating alike those who were at a disadvantage and those who were not. In apportioning houses, however, Marumaru seemed to lose its sense of fairness; some employees could receive a house almost fortuitously, because they happened to be involved in a set of transfers. Others, who were not assigned company houses and had instead to pay market rates obtained no compensation at all. The real earnings of men of equal rank and age, and even equal merit in the estimation of the company, could then be very different.

C <u>Shayō</u>

There is an expression in Japanese, '<u>shayōzoku</u>', the aristocrats (<u>zoku</u>) on company business (shayō) can have the straightforward meaning of 'company business', but it is often employed in an ironic sense to denote the sort of company business that requires the company to buy its employees meals in expensive restaurants, first class seats on trains, and so on. This third form of benefits, then, resulted from the company's permitting employees to make use of its name, its wealth, and its connections in their service. I have said 'permitting' but the word suggests that the company was in some sense patronizing its members. In fact, the principle that justified <u>shayō</u> was more that the interests of individual and company were so alike that it was only reasonable that in pursuit of those interests a man should make use of the advantages company membership could offer him.

The more senior a man was the more closely he was associated with the company and the greater his implicit right to use company facilities for his own personal ends. Not only did directors have generous expense accounts and other indirect financial benefits; it was also considered acceptable that they employ their subordinates on their private business. When the mother of a director died, six or seven of the men and women in the department in his charge were pressed into service as ushers at the wake and the funeral and so lost to the company for a day and a half. The funeral itself was a spectacular demonstration of the unity of a man's public and private life. Most of the mourners were Marumaru members and representatives of other companies (the director had dealings with many of Marumaru's suppliers) and none of them had ever met the dead woman. They had taken half a working day to cross Tokyo and pay their respects to the director.

Even relatively junior employees permitted themselves to make use of the company. Anyone who wanted to start a club or carry out a

project would go along to the labour section and ask for a cash grant. The factory bus seemed to be at the disposal of groups and parties who wanted to make an expedition outside working hours, And I was continually impressed by the way the junior employees made over to me, without authority, company property and amenities. The amounts of money involved in shayō at the lowest levels were small, but the principle was the same as that applied to the director expense accounts, that the company was everyone's servants as well as their master.

b Pay and the principles of organisation

As we have seen, the standard ranks and grades were of considerable importance in the calculation of salaries. In the last chapter I noted how the standard ranks system helped to lessen distinctions that might have arisen between different categories of employees. In this section I shal show how the pay system had a similar effect. We also saw from the last chapter how promotion through the standard ranks was determined largely by age and length of service, but occasionally by merit. In this section I shall be considering how far each of these two criteria affected pay.

All employees, in whatever factory they worked, whatever job they did, and whatever rank they held - from the most junior shop floor worker or office cleaner to factory managers and departmental heads, received their pay according to the same pay scales, on the same day, in identical wage packets containing the same computerised pay slips. The comparison with the practices of a British company, distributing pay in the distinctive forms of salary and wages, with different systems of pay for different jobs, and, no doubt, large regional variations, was an expression of their common status as members of the company.

The fact that both managers (sub-section heads and above) and non-managerial employees were on the same scale, naturally diminished the significance of the distinction between the two categories of employee. The non-management employees were all members of the company union. When the union won a rise for its members, the increase in salaries took the form of a percentage increase in the rates of base pay for each age, and in the work and ability payments for each grade and step. These increases, however, benefitted managers as much as union members - even though the job of the managers during the wage negotiations was usually to oppose the union's demands and prevent large wage increases.

The only account taken by the pay system of the distinction between managers and non-managers worked to the disadvantage of the former. Managers were given no overtime. The middle managers, the department heads and deputy heads, received high enough responsibility allowances and work and ability payments to compensate them for this; but the lower managers, and especially the sub-section heads suffered in comparison with the team heads, who, though they were in the standard ranks were not managers. Sub-section heads were often resentful of their financial plight, and certainly the arrangement was hard on them; but the fact that the most junior managers were certainly no better off, and usually rather worse off, than their subordinates may well have helped foster good relations between these first line supervisors and the men they were in charge of. I heard many ordinary employees express sympathy for the sub-section heads above them, and remark how badly the company treated them.

The pay system applied only to employees, so that, unlike the standard rank system, it did not bridge the division between directors and employees. An employee who was appointed to the board resigned from the employ of the company, took his separation allowance, and

thereafter received a fee instead of a salary, even though he might well continue to do the same job as before. This fee was not, however, very much larger than his previous salary was. When I asked employees for their opinions on directors' fees I was usually told that they were low, just like salaries, and that a department head director at Marumaru received only the same reward as a deputy head in a larger company.

We come now to the second part of this section, the examination of how age and merit were rewarded in the pay system. Before 1965, Marumaru had had a pay system under which wages were paid almost entirely according to age, and Marumaru, in common with a number of other companies at about the same time (Sakurabayashi, 1966, p 92) had introduced the work and ability ratings partly in order to allow merit to be recognized in salaries. Even though, as I suggested in the last chapter, employees at Marumaru claimed willingness to be paid according to their merits, in practice the company was rightly cautious of introducing too thorough a meritocracy.

The earliest intake of recruits from whose salaries the working of the new pay system could conveniently be judged was that of 1964. I give below the total annual salaries for 1970 for the ten graduates, six of them married, who had entered the company during that year.

TABLE V. 7

No	Monthly wage x 12	of which work and ability	Bonus placing winter/spring	Bonus (total)	Total Annual Pay	Efficiency Related Pay	
Married							
1	730	342	AA	268	997	610	'000 yen
2	712	330	BB	256	968	586	
3	700	318	AB	250	950	568	
4	675	284	BB	245	920	539	
5	675	306	BC	238	913	544	
6	682	294	DD	214	895	504	
Average	696	312		245	941	559	

TABLE V. 7 (continued)

Unmarried

1	636	318	CC	212	845	530	'000 yen
2	621	306	CC	215	836	521	
3	613	303	BB	212	825	515	
4	621	306	DC	202	823	508	
Average	623	310		210	833	519	

The figures show that there were differences of total pay between men in the same year, and that the differences were due to differences in those items of payment which were calculated, in part at least, on the basis of efficiency : the work and ability payment, and the bonus. The differences in the efficiency payments were in turn associated with merit, or at least with how merit was perceived by a man's superiors. Moreover gossip and casual conversation among the ten people concerned gave me the impression that the best paid members of the intake were generally considered the most able and those who made the greatest contribution to the company.

On the other hand it could be argued that these differences in pay after six years work were nugatory. The highest paid married graduate only earned a salary of 9.3% larger than the lowest paid, a minute reward for the differences in effort and ability that must have appeared between the members of the intake over the period. The reward for ability was, at this level at least, rather smaller than the marriage allowance, though the second unmarried graduate did achieve a larger bonus than the sixth married graduate, and with a very ordinary bonus rating. The high and middle school intakes of the same year showed even less variation with pay. The five unmarried middle school entrants, for example, were paid more nearly similar wages in 1970, after five years of grading, than they had been paid at the beginning of their careers, before the grades were applied to them :

TABLE V. 8

	Monthly salary, '000 yen	
	1964	1970
Middle school entrants		
1	13.7	37.5
2	11.9	37.5
3	11.9	37.5
4	13.8	37.2
5	13.8	37.2

One might also wonder at the contrast between the complexity of the system and the uniformity of the pay rates it produced, at the enormous effort required to make such small distinctions. For not only was the pay of those of the same age, education and marital state substantially the same; it even appeared that those of different educational levels, provided they were of the same age and marital status, were similarly rewarded.

TABLE V. 9

Monthly pay, '000 yen

Married graduates, 1964 intake		Married High School, 1960 intake	
1	60.8	1	67.0
2	59.3	2	62.7
3	58.3	3	61.7
4	56.8	4	60.9
5	56.3		
6	58.3		
Average	58.0		63.1

In time, however, as the graduates went on to the deputy head rank and the non-graduates - or most of them at least - stayed as section heads, significant pay differences would appear between the two groups.

The only graduate year classes where there were considerable

variations in salaries were those which contained one or other of the four men on the production side who had been selected for particularly rapid promotion. The 1956 graduate intake contained one of these men, '<u>B</u>', and I give below the details of that intake and, for the sake of comparison, of the two intakes which followed it.

TABLE. V. 10

'000 yen

	No	Standard Rank, 1970	Monthly Wage 1964	Monthly Wage, 1970		Total
				Work/ Ability	Respon-sibility	
1958	1	Section Head	41.1	41.8	10	86.1
	2	" "	41.5	41.8	10	86.0
	3	" "	39.0	37.3	10	81.1
	4	" "	36.3	37.3	10	81.1
1957	1	Deputy Head	48.0	52.0	15	103.0
	2	" "	41.8	46.0	15	96.0
	3	" "	41.8	44.0	15	93.0
1956	1	B Plant Manager	47.0	52.0	25	111.7
	2	Deputy Head	48.0	52.0	15	103.6
	3	Section Head	41.0	41.0	10	85.0

The men in the 1958 and 1957 intakes still received similar salaries after twelve and thirteen years' service. Though their relative positions had been the same in 1964 as they were in 1970, in the intervening years one or other of the men had gained a small increase in salary and appeared to move ahead of his colleagues, only to fall back into line again. Only in the 1956 intake had real differences in salary begun to appear. Besides '<u>B</u>' and in contrast with him, the intake contained in No. 3, the oldest section head in the company, a man who appeared to have fallen two years behind the average of his colleagues. Between these two men there was a pay difference of more

than 26,000 yen a month; their annual salaries, including the bonuses, would probably have differed by as much as half the salary of the section head. Between the plant manager and the deputy head, however, there was only a small difference in salary, and no difference at all in work and ability payment.

It was evident that just as Marumaru was promoting all but a handful of men through the standard ranks by age, so it was in effect also paying its employees by age. It was enabled to do so by the flexibility of the work and ability ratings, which allowed the company to give the impression that merit was being carefully measured and generously rewarded - and which no doubt actually were used, in one or two instances, to increase the pay of an outstanding worker - while at the same time allowing the company to continue to provide very similar wages for all the members of an intake long after their different capabilities had become known. (cf Cole, 1971 p.90)

c <u>The pay system and the labour shortage</u>

So far I have been talking about how the conditions inside Marumaru influenced the pay system and were affected by it; but the pay system was also subject to the influence of the labour market, the chief characteristic of which, as I have already mentioned, was the increasingly acute shortage of young people.

There have been many accounts of how, as a result of the labo ur shortage, wage rates for older workers have been rising more slowly than those for younger workers. A survey published by the Japan Institute of Labour (Sakurabayashi, 1966, pp 56-58) gave the average 'base up' for workers of different ages in 288 companies as follows:

TABLE V. 11

Rate of wage rise for twenty year olds = 100%

Age	15	18	30	40	50
Base up	136.5%	111.0%	80.8%	68.8%	60.0%

The 1971 Labour Statistics of the Japanese Ministry of Labour show how the difference has narrowed between the pay of younger and older workers over the years.

TABLE V. 12

Factories of over 1000 workers. Pay of 20-24 yr olds = 100

	1961	1964	1969
20-24 yrs	100.0	100.0	100.0
25-29 yrs	147.3	139.5	139.9
30-34 yrs	205.0	188.5	171.2
35-39 yrs	245.9	218.5	188.9
40-49 yrs	285.3	252.5	217.6

Because Marumaru was such a young company with so few older workers, and because, perhaps, the company had had advantages in recruiting young workers from the prefecture of N-, there had been no similar compression of the wage curve with age, at least until mid-1970. Starting salaries for new entrants had on the whole increased rather more slowly than average salaries.

TABLE V. 13 1964 = 100

	1964	1965	1966	1967	1968	1969	1970	1970 salary (yen)
Starting :								
Science grads	100	104	111	121	137	156	180	38,000
Arts grads	100	104	112	122	139	159	184	37,000
High school	100	106	120	134	163	170	199	28,000
Middle school	100	107	116	130	153	165	190	23,000
Average Salaries	100	105	120	143	157	174	205	51,000

In the summer of 1970, however, because of the great difficulty of attracting school recruits, Marumaru decided to raise the starting salaries offered to high school leavers from 28,000 yen to 30,000 yen (212 on the index above). This rise was in breach of the wages agreement made with the union the previous November by which all wages and salaries were fixed for a year. The union therefore protested strongly against the rise and demanded that if the starting salaries were raised, all the other salaries should be raised in proportion. The company naturally rejected the demand, and eventually the union agreed to the fait accompli.

Though the danger of rising entrance salaries pushing up wage rates for older workers had only just appeared at Marumaru, the company had already provided itself with a means of overcoming it, using the work and ability payments. On the shop floor, at least, the work and ability payment was fixed by the job. Older men could therefore be expected to be taken off the more complicated jobs with high work and ability ratings and put on to simple jobs with lower ratings. Their pay would not be reduced at the moment of transfer, but in the lower grade to which they had been moved their automatic progression through the steps would mean lower rises in future years. At the same time their base pay would rise by a diminishing amount with age. Their pay relative to other workers would therefore fall slowly, even though the absolute sums they received would continue to rise. Because there were so few older employees outside the standard ranks, no acute problems had yet arisen over the relative wages of older workers, but the union was worried at the prospect of its older members, living on salaries consisting largely of base pay, not being able to make ends meet because of inflation; and there was also the problem that the separation allowance was calculated from a man's last monthly salary as an employee. Though the union recognized the difficulty of

maintaining high wages for older workers, it continued to press for a 'more Japanese' system of payment.

A second consequence of the labour shortage to which Marumaru's pay system had to be accommodated was the continuing intake into the company of 'mid-career' recruits (chūto saiyō). As I have indicated already, Marumaru took an equivocal view of mid-career recruits. Even though the company had originally been built up by mid-career entrants, and though mid-career entrants were still needed, in view of the lack of high school entrants and their unwillingness to stay, Marumaru penalized mid-career entrants, providing them with little or no training, and requiring them to serve a probationary period of indeterminate length.

Mid-career entrants were not immediately given work and ability ratings. On first arriving at Marumaru they were given an entrance wage determined by age. In 1971, when the monthly rate for high school leavers was 35,000 yen, that for 20 year old mid-career entrants was 37,300 yen, and for a mid-career entrant of 30, the rate rose to 45,200 yen. In December of each year, when the labour department undertook the re-rating of all company employees, the mid-career entrants of the previous twelve months would receive their first work and ability rating, and from then on would be paid in the same way as other employees.

The starting salaries for mid-career entrants were always lower than the average salaries of school entrants of the same age, who had, of course, accumulated some length of service. The older a mid-career entrant, the further his salary lagged behind his contemporaries who had entered from school. The starting wage of a mid-career recruit of twenty was only a thousand yen less than that of a school entrant of the same age; but the salary of a thirty year old mid-career entrant was twenty five thousand yen less than it might have been had he joined the company straight from school. The age at which a mid-career recruit entered therefore affected the time he needed to catch up with school

entrants of his age.

So many varying factors had to be taken into account that it was by no means easy to determine exactly how long it would take a mid-career entrant to level with a school entrant. The financial penalty for mid-career entrance continued to be exacted for many years, certainly longer than at the company Mannari and Marsh (1970, pp 72-4) studied. Let us take some examples of men with no more than high school education working at the T- factory :

TABLE V. 14

Age	No		Length of Service	Rank	Pay
35	1	School entrant	14 years	Sub-section H	88,000 yen
35	2	Mid-career	13 years	Sub-section H	79,000 yen
35	3	Mid-career	13 years	Team Head	69,000 yen
30	4	School entrant	11 years	Sub-section H	80,000 yen
30	5	Mid-career	11 years	Sub-section H	71,000 yen
30	6	Mid-career	7 years	Team Head	66,000 yen

The school entrant in each of these groups was well ahead of the mid-career entrants, though it should be noted that not all the difference in salaries was due to whether or not a man had come in straight from school - every child a man added to his family, for example, increased his salary by 2,000 yen a month.

On the other hand, it was not impossible for a mid-term entrant who had served a sufficient number of years to overtake a school entrant in rank. No. 5 in the table above had become a sub-section head before a certain school entrant of thirty one, with thirteen years' service. Since both men were serving in the same small part of the company, there might have been some resentment on the part of the older, yet junior man; but the difference in rank was offset by a compensatory high

rate of pay for the older man :

TABLE V. 15

Age	No	Length of Service	Rank	Pay
30	5 Mid-career	11 year.	Sub-section H	71,000 yen
31	7 School entrant	13 years	Team Head	76,000 yen

Because the older man also received overtime payments, his normal rates of pay would certainly have been 10,000 yen a month higher than the successful mid-career entrant.

The absorption of ever increasing numbers of mid-career entrants unquestionably posed many problems for the labour department - I quoted in an earlier chapter the complaint of a mid-career entrant at being, as he saw it, passed over for promotion because he had not been with Marumaru long enough. As the example above perhaps suggests, these problems would have been extremely difficult to solve without the work and ability ratings, which endowed the pay system with such flexibility, and allowed the company, in different circumstances, to reward age, length of service, or ability, or, on occasion to compensate for the lack of any of these.

d Pay and Paternalism

I remarked at the beginning of this chapter that Abbeglen had interpreted Japanese pay systems as evidence of paternalism and familial concord (though he did not use those words); his view is shared by Nakane (1970, p 14). Abbeglen, Nakane and other writers too have seen in pay by age, and indirect benefits, an expression of the moral obligation Japanese companies feel for the welfare of their employees, and an absence among them of the idea of contract, and of the equivalence of pay and work.

One would hardly want to take an extreme position in dissenting

from Abbeglen here; it would be absurd to suggest that Japanese managers were unconcerned at the welfare of their subordinates, any more than western managers would be. But what appeared to be paternalism, and was mentioned with some pride by senior managers as an indication of the company's beneficence, was usually a form of wages or provision forced on Marumaru by the labour market, or given, often reluctantly, in response to repeated union demands (cf Cole, 1971, p 175).

The fact that in practice pay corresponded closely with age might be interpreted as an example of company paternalism, for it would seem that the company was providing the most pay to those who needed it, rather than those who contributed the most. If pay by age was paternalistic, however, Marumaru was a very unwilling paternalist. The ideology of merit, and the conditions of the labour market, were both opposed to pay by age; what disposed the company to retain it was a fear of the social consequences of making Marumaru too meritocratic, and, though perhaps secondarily, the activities of the union in championing the interests of older workers.*

The numerous allowances of the pay system, which could have been taken as evidence of the company's solicitude for their employees' comforts, were more convincingly explained as ways of meeting conflicting requirements put upon the pay system. Few of the components of the Marumaru pay system, the work and ability payment, or the city allowance, worked in quite the way one might have expected. So the city allowance was not a compensation for the high cost of urban life, but an additional family allowance, and a means of rewarding men with high grade names. The protean nature of the work and ability payments will by now be apparent. The importance of these components lay, it seemed to me, in the contribution they made towards the great complexity of the pay system, a complexity which precluded stark comparisons between people

* The 1966 questionnaire of the Japan Labour Institute (Sakurabayashi, 1966) I referred to earlier showed that managements in other companies were sceptical of the value of age related pay systems. Respondents considered that payment by age raised wages and prevented proper promotions and appointments; nor were they even convinced that payment by age encouraged workers to stay.

with different attributes and so reduced the dangers of rifts and contentions among people who had to live together in co-operation and yet competition, for years on end. One could detect similarities between the way salaries were calculated and paid and the distribution of prizes at a company mahjong evening. There not only the men in the first three places, but also several others in perfectly arbitrary positions - the fifteenth place, or the third position from the bottom - were given prizes, while everyone received a participant's prize for being there.

I have already remarked on Marumaru's reluctance to provide more of the most important of the non-monetary benefits, company houses. It was true that more than half the company's employees were in subsidized accommodation, but most of these favoured employees were young unmarried men in the company hostels. Marumaru would not have been able to recruit new workers if it had not offered them hostel space or - a much more expensive alternative - given recruits the means to rent their own rooms. A second category of employees provided with company housing consisted of those who had been transferred; and a man might be transferred so frequently that it was only reasonable to give him accommodation when he took up a new job. Again, the company had built houses for a large number of workers at a new factory outside Tokyo; but since the factory was many kilometres from the nearest town, this provision was, once again, essential. In short, the company only built houses where it had to; and in refusing compensatory payments to employees who were not in company houses, Marumaru seemed to be affirming its freedom from any moral obligation to provide housing at all.

It seemed that Marumaru had been forced to wear the trappings of benevolence, but that, having put them on, it had persuaded itself of itw own generosity. Senior managers would remark to me on how well Marumaru looked after its employees compared with the heartless and mercenary way in which American employees were said to regard theirs. But Marumaru's attitude to holidays, its provisions for retired employees,

or for the families of employees killed at work (even in 1972 the death benefit was only three million yen) did not indicate a very advanced degree of concern for the welfare of employees.

There was little evidence in the pay system, then, of a relation between company and employee fundamentally different from similar relations in a western company. Marumaru appeared quite as intent on economic success as any western company, and was prepared to devote much the same degree of priority as a western company to the welfare of its employees, on which, of course, the corporate welfare depended. Certainly the people of Marumaru themselves were not under any illusion that the company was a welfare institution, as we shall see in the next chapter.

CHAPTER VI COMPANY AND EMPLOYEE

Now that I have described how the Marumaru community was composed and organised, I should like in this chapter to discuss how Marumaru members viewed their company, and what place it had in their thoughts and their lives.

I shall begin by considering the relations between employees and the company as a corporation; their loyalties and disloyalties to the company, their opinions on its organization and their own positions within it, and their attitudes to its policies. Employees would very frequently ascribe a kind of personality to 'our company' (uchi no kaisha), a personality apparently independent of the management or any other group within it. Just as they would remark that 'the company's' share of the market was such and such, so they would comment on the curious ways 'the company' had of naming the standard ranks, or 'the company's' treatment of sub-section heads.

Yet 'the company' was, of course, its members, and their relations with each other were part of their relations with it. Later, therefore, I shall be explaining how employees dealt with each other and what alliances and divisions existed among them.

I hope to show the effects on both these sets of relations of the features of Marumaru that I have been describing in previous chapters: the isolation of the community from the rest of Japanese society and the intensity with which the company and its members were involved in the life of each employee; the distinction between mobile and immobile company members; and the cohesive, yet hierarchical organization.

I tried in the second and third chapters to give some impression of how detached Marumaru members were from the society both of industry and of the localities in which they lived, and of how completely their lives were bounded by the company. All company members, mobile and immobile,

were in the same isolated condition. Indeed, the young shop floor workers, for all that they were able to leave Marumaru without too much difficulty, all lived together in the company hostels and so saw more of each other and less of the world outside the company than many of the immobile workers, who at least went back to their families after their long day's work. The isolation of the company made it essential that 'good human relations' should be maintained within it, that the relations between the company and its employees, and among the employees themselves, should be at least superficially harmonious.

Differences of mobility, we shall see, had considerable influence on the behaviour and attitudes of different types of company member. The immobile workers had to be very much more circumspect in their dealings with the company and with each other than the mobile workers who, knowing that they could leave Marumaru at no disadvantage to themselves, could afford to be forthright in their demands on the company, and frank in their relations with other employees.

In order to show the differences between immobile and mobile employees clearly, I shall be considering them separately in each section of the chapter. The immobile employees consisted, it will be remembered, of the graduate men and the non-graduate men beyond the age of about twenty five; the mobile employees were the young non-graduate men and the women.

So far I have talked of mobility and immobility as descriptions of categories of employees, but each employee, certainly each non-graduate, who entered the company passed in the course of his company career from a phase in which he was mobile to one in which he was more or less permanently attached to the company. During the critical period in which a man lost his mobility his relations with the company underwent a great change, and the attitudes he expressed towards it were often inconsistent and ambivalent.

As I suggested in the last two chapters, the organization, and particularly the standard ranks and grades, imposed a unity on the company by setting different types of employee in a common frame of reference. On the other hand, because the standard ranks system and its cognate, the pay system, allowed every company member to be directly compared with every other, they encouraged each to rival the other, and so gave rise to an intense competition. This competition was not entirely unwelcome to the company, convinced as it was of the value of meritocracy. Yet too fierce a competion might destroy the 'good human relations' made desirable by the isolation of the community. It had been in order to avoid intensifying this competion that the company had, in spite of itself, abstained from promoting too many people according to ability; while, as I postulated in the last chapter, the pay system helped make rivalries less direct and hurtful. As in companies in other countries (cf Fox, 1971, p 140), there had to be a balance between co-operation and competition among company members; but at Marumaru the isolation of the community, and the inability of many of the company members to leave, made the penalty for failing to achieve the balance particularly severe.

a. <u>The employee and the corporation</u>

My knowledge of relations between employees and Marumaru as a corporation derived from two sources, my own observations and the company questionnaire. The questionnaire, which I have mentioned in passing in earlier chapters, was distributed annually to all the employees, each employee being required to fill in his form and return it in a sealed envelope to the labour department at the head office.

The forms contained a large number of questions on assorted topics, from the rents respondents paid and the sizes of their rooms to whether they wanted transfers of section or place of work; but the most important unit of the questionnaire was that in which employees were required to 'Write whatever opinions youhave about the company in general' (<u>Kaisha</u>

zenpan ni tsuite no donna koto de mo kinyu shite kudasai). Most of the remarks I quote below were made in response to this request.

The forms were so complex that as the number of employees had grown the labour department had ceased to have the time to analyze them, and had got into the habit of merely filing the forms away for possible reference. I was therefore the only person to have scrutinised the 1969 forms, from which the quotations are taken.

I read all the eight hundred or so replies to that year's questionnaire, but I concentrated my research on the forms from the head office and four of the factories. I made photocopies of the forms from the head office, the Yokohama factory, and a small factory located in a remote rural area in which the conditions might have been expected to differ from those at Yokohama. As the table below shows, a high proportion of those present in these parts of the company filled in their forms, but in any case, since I studied these areas at first hand I was able to interview most of those who had not returned their questionnaires as well, of course, as many of those who had :

TABLE IV. 1

		Questionnaire Respondents (Oct. 1969)	Payroll (Sept. 1969)	Percentage Response
Head Office	Men	41	77	57%
	Women	16	22	73%
Yokohama	Men	114	118	97%
	Women	14	15	93%
Small Factory	Men	24	29	81%
	Women	6	6	100%
Total	Men	179	224	80%
	Women	36	43	84%

The information contained in these forms was put on punched cards so that it could be analyzed.

At the time the questionnaire was distributed there had been 781 men and 134 women in the company, so that the respondents above comprised

a significant proportion of the whole population: 23% of the men and 27% of the women. To guard against the possibility that the results from Yokohama were not typical of the other large factories where the majority of Marumaru employees worked I carried out a less intensive analysis of the returns from the T- factory, where there were a hundred men and eleven women, 90% of whom had returned their forms. The results from T- appeared not dissimilar to those from Yokohama.

The last of the four factories to which I paid particular attention was the factory, similar in size to Yokohama, which had formerly belonged to the small corrugated board company which Marumaru had taken over a year before the questionnaire had been distributed. My purpose here was, of course, to discover how the people who had previously belonged to the small company viewed their new employer

The significance of the questionnaire was that it provided direct evidence, quite uninfluenced by any interpolation on my part, of how people viewed Marumaru. Because of this it was a very useful complement to observation. On the other hand, because the questionnaire was official and the forms had been issued by the labour department, the opinions expressed in the returns were not always sincere, honest, and complete. Some men, as we shall see, wrote to ingratiate themselves with the company; others were clearly availing themselves of an annual opportunity to make complaints, often about very petty matters. More seriously, many important problems that were the subjects of continual gossip were hardly mentioned in the questionnaire returns because respondents thought it wisest not to put anything about them in writing. One of the questions asked whether the respondent's relations with his superiors were good, bad, or normal. Only one person of the hundreds whose forms I examined had admitted to having a poor relation with a superior, and that was a married woman who had no children and for whom work was less a means of livelihood than an interest outside the home.

Again, the replies from the newly taken over factory, from which a third of the workforce had already resigned, were remarkably bland, and gave no indication of the main difficulty resulting from the take over, which was that of absorbing older, unskilled workers into a company whose employees had an average age of twenty nine. The questionnaire was a useful aid to observation, but first hand knowledge of the company was essential to its interpretation.

A The immobile employees

i The young graduates (under 35 years)

I remarked earlier, when I dealt with entrance to the company, how strongly predisposed new graduate entrants were to life in the company. Most of them had gone to university to read subjects like economics, law or commerical studies, that would specifically prepare them for their work; and they had also given the impression, even as applicants, that they understood and accepted the demands the company would make on them. It was not surprising then that the young graduates appeared contented and involved in Marumaru. A high proportion of the graduates under thirty (16 out of 23) wrote their opinions to the company. These opinions were free of complaints about pay and conditions, and displayed instead an informed concern with the organization of the company and its defects.

A computer programmer in his late twenties wrote :

> 'We have to think about moving on to the next growth industry and not concentrate entirely upon corrugated board.'

A salesman at Yokohama complained that :

> 'The company's policies are inconsistent. Even if they introduce a computer what parts of the organization are they going to rationalize? There are more people and more work for the sales staff to do. It's a good idea to cut down on those not directly concerned with production and put people into production jobs, but because of this the sales staff are having to do what has hitherto been done by the production staff sections, and sales are being limited.'

The most frequent complaints in this category were that there was no proper training, and that it was impossible for young people to participate in making decisions. The need for training was genuinely felt, for many of the young graduates gave as their interests and hobbies subjects connected with their work: computer systems, engineering, accounting, or box design. Only one person in the category mentioned a hobby of no relevance to industry; he liked to travel. Certainly in no other part of the company were there so many demands for training:

> 'A new specialist training department is being established, but I should like effective training by those above for those in the lower positions.' (Engineer, main office)

> 'I am now learning sales but the company doesn't teach me anything. I would like the section head and others to give us instruction.' (Salesman, Yokohama)

In the absence of official training programmes, many of the young graduates had made considerable efforts to train themselves, and handbooks on this or that subject of management or engineering could be found on the bookshelves in most of the rooms of the main office hostel.

The complaints about being left out of decision making and being made to do irrelevant work all came from one department, the production department of the main office, so that the problem was probably local rather than general. One of the young graduates there drew the broad conclusion that :

> 'Although the company has grown so big, managers have received little power from the directors, so that work is done without any drive. Managers are doing work that anybody could do. Much of the work of we young people is of such a kind that it doesn't matter whether we do it or not. We should like to do work that is genuinely useful to the company; if we don't, neither we nor the company can develop... the production department has no purpose and I'm not satisfied with the amount of work I'm doing.'

The impression given by these remarks I have quoted, of young graduates happily, or at least resignedly, committed to the company, eager

to learn and to serve, was undoubtedly a correct one. But I did, however, notice a common opinion among men of this type which did not appear in the questionnaire. Many of them were intellectually dissatisfied with modern commercial society, and particularly Japan's version of it, a dissatisfaction which often expressed itself in extreme left-wing views. I met perhaps five or six soi-disant communists who were nevertheless much devoted to Marumaru. Very few Marumaru graduates had ever participated in student political activities - I only met one who had - but many graduates, even one or two of the older ones - claimed sympathy with some of the aims of student activitists; and it seemed possible that student unrest had had an influence on the opinions of certain young graduates. Two or three of them tried to work off their satisfactions by joining in the activities of Marumaru's rather feeble company union, but most confined themselves to private debate.

ii Older graduates and non-graduates (over 35 years)

The responses to the questionnaire of the older graduates and the non-graduates over thirty five were far less effusive than those of the young graduates. Many of the senior men in the head office did not wish to confide in the labour department staff, most of whom were junior to them, and all of whom they knew personally. Of those who did fill in their forms only a few had anything special to say to the company, and then their subjects were often technical, but always concerned with the company and its welfare rather than the individual :

> 'Generally speaking, the problems that are going to appear from now on are not going to be predictable, and we have to strengthen the management and information systems to deal with them. There is a feeling of imbalance between production and sales, and the people in charge of each of the executive units should resolve matters in mutual discussions. In particular, the top management of each factory should consider the results that will come of research and specialist responsibility.'

And again, from the engineering department a complaint that had already been voiced by junior department members :

> 'Division of work and responsibility are not very clear; because of this, unnecessary strains arise in carrying anything out, and there's a lack of communication.'

Like the young graduates, these older immobile company members were genuinely engrossed in their work - though the questionnaire revealed them to be very much less interested in training and in opportunities to improve their skills. The older men also had what their youngers had not yet had time to acquire, a great affection for and a deep loyalty to Marumaru, together with a considerable pride in the company's achievements, for many of which they had themselves been responsible.

The attitudes to the company of managers over forty five were undoubtedly influenced by war experiences. By contrast to the unsettled existences they had been leading during and immediately after the war, their present lives were stable and successful, and they were very conscious of the benefit they had gained from Marumaru. The comparisons between military and economic struggle was made frequently enough to remove all doubt that, for these older managers at least, loyalty to Marumaru was partly a manifestation of nationalism. More times than I was able to take note of I was told that it was a good thing that Japan had lost the war, because she could never have been so successful if she had won it. Those countries that had won were now less prosperous, or had less exciting futures than Japan; the next century belonged to Japan and Germany. Japan had lost the war largely because of America's huge industrial power, but now Japan had become an 'economic great power'. There was too much America in the world. The floating of the dollar and imposition, by President Nixon, of an import surcharge, reminded these older men of what they viewed as pre-war American economic persecution of Japan. One director assured me that in the old days the import surcharge would have led to war. Now, of course, Japan wouldn't actually resort

to arms, but however much America tried to keep the Japanese down they would come up again. They had built the country up after the Americans had destroyed it before, and they would do so again. Japanese always did their best when their backs were against the wall. 1971 was a disturbing year for the Japanese economy, and no doubt circumstances prompted more bellicosity than usual, but it was certain that domestic and international competition were considered two parts of a whole, at least by the more senior managers; and that therefore service to country and company need not be distinguished. (cf Hazama, 1971, p 63 ff)

In spite of their affection for Marumaru, these older immobile workers resented being, as one of them put it, 'the pawns of the company'. They were aware that, because they could not leave, they were liable to have their services taken for granted. The labour department took great care, for example, to meet the transfer demands of young shop floor workers - some of the 1971 high school entrants to Yokohama asked for and were granted transfers to other factories within a fortnight of joining the company, though they left before the arrangements could be completed - but older employees were rarely consulted before being transferred and were expected merely to go where they were sent and to do what they were told. Again, though it was morally difficult for anyone at Marumaru to take a personal holiday allowance, senior employees were frequently required in addition to work on national holidays. During the four day holiday at the New Year, most of the factory management at Yokohama went on holiday a day later than their subordinates, and returned a day earlier.

There was no point in the senior employees complaining openly at this treatment - hence the silence of the questionnaire returns - because the company had so complete a control of their lives. They merely resigned themselves to their disadvantages, consoling themselves, as we shall see later, with visits to bars, and with dreams of setting up their own small businesses, or of opening small shops or fish restaurants, after

they had retired and become their own masters.

iii Non-graduates of intermediate age (25-35 years)

The last group of immobile employees was that of the non-graduates in their late twenties and early thirties. Between twenty five and thirty five, as I remarked earlier, a great change took place in the lives of non-graduates. Their value on the labour market declined swiftly, while at the same time they began to receive recognition from the company and the community. By the age of twenty five or six a man might be in charge of a machine if not a team, and his work would bring him into contact with the more senior managers of the company. If he was still in the company hostel he would have been asked to sit on a committee, or look after one or two of the new entrants on their arrival. By thirty five his position in the company would be established without question. Even if he were not a sub-section head he would be one of the senior team leaders on the shop floor, whose expertise in running the boiler, or handling the despatch of goods would make his absence, even for a few days holiday, deeply felt. He would be on easy terms with the factory manager and the deputy manager, and from them he would learn the latest gossip from the main office.

Yet even while he was becoming more and more committed to a life career with Marumaru, and increasingly engrossed in company affairs, he would at the same time be conscious that he was sustaining a loss of freedom, and aware of certain shortcomings in the organization to which he was now likely to belong for a very long time. On marrying, for example, a non-graduate of this age would reduce his chances of leaving Marumaru still further; but as he passed from an affluent bachelorhood in a subsidized hostel to a penurious existence in a tiny flat, he would find himself taking an increasing interest in the firm's welfare benefits, or rather the lack of them. This interest would be increased if, as usually happened, he was invited to serve the company union in some way.

The position of these non-graduates at the turning point of their careers was, then, in many ways the least satisfactory of all the employees. They lacked the freedom of the young non-graduates to move, but they had not yet gained the advantages that compensated their elders for being tied to the company and subservient to its demands. They felt uncertain whether to serve the company's interests or their own, or whether it was indeed possible to serve both.

One striking example of the ambivalence of the attitudes of employees of this category towards the company was the resignation of a particularly promising young shop floor worker of twenty five at the Yokohama factory. He decided to leave immediately after receiving the company's offer of a night school course to enable him to get a degree. He made a conventional excuse for leaving to the labour sub-section, but told his friends that he did not want to become too deeply obliged to the company; he would do the course later, at his own expense.

The company's annual attendance prizes also engendered violently mixed feelings in these employees. The prizes, which were very frequently won by team leaders and others of similar age and seniority, consisted only of two or three thousand yen. They were awarded to employees who had taken no more than their allowance of holidays, and who had given a full week's notice of their intentions before taking even a day off. The prizes were, then, very minor rewards for behaviour convenient to the company, but a great many employees saw them as moral levers working against their freedom to take their paid holidays as they wished. I was told by several people, including some of the prize winners, that because of the prizes one wasn't able to take the day off if one had a headache; did I not think that unfair, and would it be allowed in England?

Then there was the case of the team head who published an article in the Yokohama factory magazine, 'Cloud', a quarterly which was supported by a company subsidy and given an admirable degree of editorial freedom.

The author was a popular young man who was - at least until the publication of the article - well thought of by his superiors; he was also active in the company union. The article took the form of a long satirical tirade, and was particularly interesting because it referred to nationalism and to the urge to greater production.

> 'First and foremost, a company must go for profits. This way or that, it must make profits. If you don't sell, you can't make profits so the salesmen are given a kick on the arse. (There's no limit to sales; sell, sell and sell again. Selling is war. Nothing but winning is good enough.) That's what Jack-of-the-nineteen-forties told me. Out of spite, because he was defeated? (Let's make it a duty to work twenty four hours a day, three hundred and sixty five days a year.) (No question of having the day off if your parents drop dead.) If you think it's hard grind - the best salesmen believe in the value of the company's goods. Let's get rid of this habit of harping on their demerits rather than their merits - that's what they'll tell you. If you sell it, you've got to make it, so on with production! (Keep down sedition; don't allow complaints and grumbles to arise; and at the same time squeeze the utmost effort out of them. Extend the working hours!) Make each team compete in output in overtime and Sunday work. Produce, produce, and produce again. Your belly hurts? Mind over matter! You mustn't think, just because you're sweating away, that you're working. Oh no! The result's the thing. Fulfill your norms! You can do anything you set your mind to, that's the attitude. Though Jack-who-pretended-not-to-know told me that he had thought that the time when you could do anything you could set your mind to had ended. So that's the motto. The salesmen sell anything, even sell the rejects, that's the idea. And the shop workers go on and on. ... '

It was interesting that the team head's seniors responded only mildly to the article. The factory manager called him in and, in the course of a three hour interview, suggested that if he thought so little of Marumaru he might like to leave, but no action was taken against him. Other managers thought that the team head had been ill-advised, but that the incident was nevertheless unimportant and would not prejudice the man's career. The team head's contemporaries generally approved of the article, and thought it both funny and true.

The remarks written on the questionnaire forms by men of this category were not, of course, as flamboyant as the team head's article. Their

tone was intermediate in style and content between the comments of the graduates and older non-graduates and those of the mobile young shop floor workers, which we shall be looking at shortly. One could detect in the replies of these newly immobilized workers some of the truculence and exasperation of the younger workers, but here, as with the older immobile company members, demands were being made ostensibly at least for the good of the company.

The chief cause of dissatisfaction was the lack of welfare amenities:

> 'This company has achieved a growth rate good even in the industry, but isn't it true that there hasn't been a growth of security and welfare benefits along with that growth? On dozens of occasions you have spoken about housing, personnel and general welfare with the union, but the company will have to solve the welfare problems accompanying its growth and become a secure and established company.'

Or again :

> 'At present the company welfare system is inadequate especially in relation to company housing and I feel very dissatisfied. People who are not transferred never get into company houses. As an eight-mat apartment is 10,000 yen a month we have to go into debt. And when I think of the future I can't be surprised that so many people leave the company. Please increase our welfare benefits for the sake of the company's own development. As we ordinary workers see it, the management people get into company houses, so that they don't have any direct personal experience of the problem. I should like you to listen to us. Whatever the directors say, it is we ordinary workers who constitute the company and make it go forward.'

The oldest of the men in this age group, those approaching 35, were usually sub-section heads; and their peculiar positions made their attitudes towards the company patterns of indecision and equivocation. Their actions proclaimed them among the most assiduous of the company's servants, cheerfully putting in six or seven hours extra work a day, or turning up in the small hours to help repair a machine; but at the same time they were always complaining of how 'cold' (tsumetai) or 'dirty' (kitanai) the company was.

As we saw in the last chapter, sub-section heads were counted as

managers, so that they were not eligible for overtime payments, but the responsibility allowances they received were not enough to compensate them for the loss and they therefore earned less than their subordinates :

> 'The pay of sub-section heads is too bad, and the various allowances are poor. Once or twice a month I have to leave the factory to do something outside and I make a loss. The lunch allowance is poor. Sometimes I don't apply (beforehand) to the company and when I go out on business without an appointment I have to pay for the meals myself.
>
> I don't understand why sub-section heads don't get allowances and overtime rates. Living has become more difficult than when I was a team leader.
>
> Sub-section heads are not paid overtime, just meal allowances. Nor do they get night shift allowances. This should be dealt with.'

Another problem for the sub-section heads was that the upper management was always readyto find fault with them. There was often talk at the main office of the defects (rarely specified) of first line management, and of the need for training sub-section heads and team leaders. Most of the very few training programmes that had ever been put into practice at Marumaru had been devised for supervisors on the shop floor. In fact management difficulties seemed to me to arise higher up, in the section head and deputy head ranks to which salesmen would be appointed and placed in charge of production. The responsibility for training their innocent superiors fell on the first line managers.

At Yokohama, and indeed at most of the other factories, there was a lack of technical staff. At one point in my stay at Yokohama there was only one qualified engineer to take on repairs in the whole factory, so that the sub-section heads, none of whom had had any formal technical training, had to spend a good part of their time trying to patch up faulty machines. At times the labour shortage became so acute that sub-section heads had to give up supervising and instead lend a hand in production themselves, so that they were often to be found pushing half-completed corrugated sheets around the floor. It was with these conditions in mind that one acting sub-section head (his appointment was confirmed

two months later) wrote :

> 'I have worked for ten years for this company, during which it has expanded. Plenty of equipment and apparatus has been installed, and I expect rapid growth from now on as well. For us shop floor workers the ten years have seen rapid installation of new machinery, so that our work has changed. What doesn't change is the labour shortage. Day labourers, part-timers, and students are put on shift work, though there are sub-section heads without manyone beneath them, we team heads have to deal with ten men (including those day labourers) all by ourselves. So mistakes are made and we are said to have no administrative ability.'

One sub-section head took the offensive in an article in 'Cloud', though his views were idiosyncratic :

> 'Recently the managers seem to have become very fond of new words. Just using words like "Self Management", "Management by Objectives", "such and such a movement", "such and such a technique" makes them happy. I am sure that everyone would agree that if these new words were coming from the best employees, that would be very desirable. The labour shortage, the problem that is troubling us at the moment is a serious matter, but it's no use getting obsessed with it. Things will get slip shod, and the workers will lose their sense of direction. Before bringing in new people the management ought to build things up so that those already in the company can work with initiative. If this isn't done over the whole company the results will be feeble. Everyone, from the plant manager to the machine team leaders has got to go as one man. If people think that we've got enough hands for the present amount of work, then we won't need any more people, and we won't have all these difficulties in getting people. We don't need useless people. If we get in more people our average salary falls, so we lose in the end.'

Sub-section heads at Marumaru did perform the duties of foremen but I do not think that their difficulties were closely comparable with those of foremen in other countries, (Wray, 1949) or even with those of foremen in some other Japanese companies (Cole, 1971, p 183). Foremen in the west have been depicted as 'men in the middle', sandwiched between workers and management. At Marumaru, however, as we have seen, the distinction between labour and management was very much less significant than that in a western company because of the standard ranks system. Employees could see themselves as set on a continuum of ranks and grades along which they moved, principally according to age, but also

as a result of effort and ability. Sub-section heads merely occupied one of a number of points on the continuum, and their relations with other company leaders, whose positions they had been in three or four years earlier, or of section heads, whose positions they might hope to reach within a similar length of time. The disadvantages of sub-section heads resulted, therefore, not from their relations with other employees, but from their conditions of employment, the extent to which they were required to serve Marumaru at personal cost, and the purely contingent difficulties caused by the labour shortage and the transfers of salesmen.

The similarities in the attitudes to the company of all men of this intermediate age group, whether they were managers or not, had very important implications for union-management relations.* The union tended to be run by team leaders, the most senior employees who were not in management, but because union policies reflected the interests of all immobile workers, they naturally engaged the sympathy of sub-section heads and section heads, who benefitted by the union's success. I have already remarked on how a wage rise gained by the union served to improve the salaries of managers as well. Not only did these junior managers and supervisors feel the same way towards the company as the team leaders, and have similar interests to them; many of the sub-section heads had only recently retired from senior union positions on their appointment to the management ranks. Naturally, they continued to be closely involved with the union in an unofficial way, offering their advice to their successors in the union leadership, and even adding their voices to union petitions on occasion. In the next chapter we shall see how the alliance of junior management and union leadership allowed the union to gain concessions from the company.

* I should like to acknowledge the extent to which the ideas in this paragraph were influenced by discussions I had with Professor Hideaki Okamoto.

B The mobile employees

(i) The young non-graduates (15-25 years)

Both from the tone and matter of the replies of the younger non-graduates to the questionnaire it was easy to see how small a place the company had in their thoughts and affections. It will be remembered that only one young graduate had mentioned a hobby or interest not connected with his work. Of the forty four young non-graduates who filled in the forms at the Yokohama factory, fifteen mentioned some kind of hobby. The most usual ones concerned sport and travel, but some men admitted to interests in music, 'girls and human love', English and Buddhist philosophy. One of two men interested in Buddhist philosophy also mentioned an interest in labour relations. The only other interest which concerned the company was that of a young man whose leisure hours were occupied in wondering whether or not the questionnaire was going to be of any use to him; for the remarks he had made the year before had had no effects.

None of the young workers who filled in the section of the questionnaire that required them to give their views of the company wrote anything more than a peremptory demand or complaint :

> 'I do night work and I think that health comes first, so I should like to do exercise on Sunday, but there's no ground. I should like it if you could hire a ground.
>
> The labour department has no proper job replacement system and the pressure on the workers is getting greater. The company has no policy for dealing with the labour shortage. I don't know whether you'll take any notice of this questionnaire, whether you won't just get us to fill it in and then leave it.
>
> I would like the company to pay more attention to a man's family circumstances when it orders him to move.'

But more usually the comments consisted merely of two or three words, 'Stop night work', or 'poor lighting'.

The most frequent complaint was of 'labour shortage'. There appeared to be more dissatisfaction with 'labour shortage' among young

non-graduates than any other issue; there were more complaints about it than about welfare, job contents, and pay, all combined. On the other hand very few older non-graduates complained about the problem, and those that did so were complaining not on their own accounts so much as for the sake of the company. No graduates anywhere in the company seemed to be concerned with the question. Part of the reason for this was, as I explained in Chapter II, that there was no shortage of graduates. Nevertheless, there were some sales sections that were seriously undermanned, and in which graduates were having to work till late at night most nights a week. The distribution of the complaints about the labour shortage at Yokohama were as follows :

TABLE VI.2

Non-graduates	Total	Complainants
15-25 yrs	44	12
25-35	32	4
35+	12	0
	88	16

The young shop floor workers raised the matter of the 'labour shortage' not out of solicitude for the company but from exasperation at overwork. The standard week at Marumaru was of forty eight hours, but on top of that there would usually be seven or eight hours of overtime, paid or unpaid; and on one Sunday in four there would be morning work, which was always paid. However exacting a new recruit's school days had been, however long the hours he had been forced to work in preparation for the 'examination hell', he would still be conscious of the severe loss of freedom that working for Marumaru entailed. Yet even though overwork was a grievance that was very deeply felt, it was interesting that the young people, in spite of their apparent lack of

of loyalty to Marumaru, still phrased the problem as a 'labour shortage'; for in doing so they seemed to be accepting the company's view of the situation. Marumaru could easily have solved the problem of 'labour shortage' by turning down a few orders, or working the salesmen a little less hard. There might even have been something to gain by doing so. Yet the young shop floor workers wrote not of 'overwork' but of 'labour shortage', and their choice of words was made even more significant by the fact that nowhere on the printed forms did the phrase 'labour shortage' appear. Nor did there seem to be any question that would have elicited the complaint in that form. Perhaps the explanation was that the young people, overworked though they were, still accepted the need for expansion and the indispensibility of growth.

One could summarize the responses of the young non-graduates to the questionnaire by saying that none of them contained anything that would have been inconsistent with the subsequent resignation of its author. In the questionnaire, as in everyday life, they showed little evidence of much loyalty or affection for Marumaru. It has to be admitted, however, that even though the company made more effort to accomodate itself to these youngsters than to older men, the conditions of their life on the shop floor and in the Yokohama hostel, if not the newer ones, were far from attractive. Their pay was low; promotion was still very distant; and, perhaps most serious of all, there was almost no training for them within the company. There was very little incentive for them to attach themselves to Marumaru, or to discourage them from wanting to gain new experiences elsewhere.

Abbeglen (1958, p 100), who considered that the organization of Japanese companies was associated with traditional rural ways of thought, supposed that relations in Japanese companies would inevitably be changed by the influx of urban recruits to factories that had previously drawn their workers from the country. As I explained in the first chapter,

however, there is evidence that company organization is the product of recent, post-war circumstances as much as traditional influences; but in any case, there was nothing to show that at Marumaru, at least, young people from the cities took different attitudes towards the company from those from the country. Some of the company's most vociferous young critics, and most of those young recruits who resigned soon after joining, came from Marumaru's own home territory in the rural prefecture of N-.

ii <u>Women</u>

A second category of employees, besides the workers recruited from the cities, from whom Abbeglen (1958, p 102) expected antagonism to the 'traditional' company was the women, and especially educated women. It will be remembered that at Marumaru, as in the companies Abbeglen described, women were not considered company members in the fullest sense. Their interests were expected to lie outside the company, in marriage and home-making. The management made it a habit to assume that women only stayed with the company a short time and would leave to get married within a year or two of joining, though in fact the loss of male high school graduates from each intake was very much greater than that of women.

The vast majority of women at Marumaru were non-graduates, and most of them took the same view of themselves as the company did. Nearly all of them were young, and nearly all were, indeed, thinking of only a three or four year stint at Marumaru before they married. Most of the women who answered the questionnaire - I took account of women from the main office, Yokohama, the large factory at T-, and a small rural one - were employed in secretarial posts rather than on the production line. Like the young non-graduates, the women showed themselves to be full of outside interests - handicrafts, English, mountain hikes, and foreign travel (of a hypothetical sort) - none of them anything to do with work. The

younger women made fewer comments and complaints to the company than the young men, but what they said was not dissimilar in content. There were twenty five girls under the age of twenty five, and eight of them had something to say. Five wanted shorter working hours or more people to help to do the work. Two wanted better food and the eight asked the company to provide an opportunity for girls to get together once a month. Two of these younger girls also mentioned their dissatisfaction at not being given set amounts of work to do, and at being either over-worked or left idling.

The girls of the age group above, those between twenty six and thirty, had nearly all come into Marumaru from other companies. Like men of the same age, though to a lesser extent, these women showed an interest in organizational problems :

> 'I would like you to set up a grievance committee such as exists in many other companies. It would be better if there were more detailed communication between upper and lower ranks.'

And :

> 'I think it would be better to have a separate place for copying.'

Within this age group of twenty six to thirty there were one or two university graduates who might have been interested in work a little more in keeping with their qualifications than the dull secretarial duties and menial chores that were automatically assigned to women at Marumaru. There were also women in their late twenties who were thinking of a life time career in the company. Neither type of woman was very easily accommodated within those parts of the company Marumaru normally reserved for women. During my time in the company two women graduates resigned, bored and frustrated by their work, and tired of company life in general.

Another woman, not a graduate but a particularly able worker who, at the age of twenty eight, had even achieved a position of some

consequence, complained on her questionnaire form :

> 'Though, because of the office rationalization, women are given responsibility, I am dissatisfied because no effort is made to develop the abilities of women. You are made to sit in your place and that's it. Except for your own particular work you can't do anything at all. If there's a need for qualified people, a man is sent on a course; but there's nothing like that for women. I suppose the fact that women leave for marriage means that it's a loss for the company, but under present social conditions and in view of the need to re-employ women, or to use part-timers to combat the labour shortage, I should like to see you develop women's capabilities and improve welfare and conditions.'

But there were many older women, or well educated women, who seemed content with their place in the company. One graduate girl of twenty nine wrote :

> 'I should like you to make it clear whether we are to work on Saturday afternoons or not. To make Saturday work dependent on the convenience of our superiors is too much of an excuse, and it won't do. I should like you to consider allowing women to go home early because they have to come in early for cleaning duties. I don't think it would affect work.'

The writer does not reject the idea that graduate women of her age should have to wash dishes and bring in tea for men her juniors; she merely wants special arrangements made to correspond with the special nature of her work. Older women I spoke to seemed resigned to their role, a mixture of odd-job man and hostess; nor were they upset at being passed over by men who had entered the company with them. I was told that the company was a man's world, and men would always take a different attitude to work and to the company from women.

I did hear one or two men say how badly the company treated women, or rather certain particularly able and useful women; but there was as little feminist sentiment among the men as among the majority of the women themselves. The union rarely concerned itself with the disadvantages of women, among the more concrete of which were their low work and ability ratings, and the very early compulsory retirement age - forty five instead of fifty five.

If there were few spontaneous demands for changes in the treatment

of women among the company membership, there were also few prospects of changes being forced on Marumaru by circumstances. It was true that using clever women as skivvies was already costing the company something, but the costs were concealed; and since most, if not all of Marumaru's competitors were using women in the same way, the company suffered no disadvantage. The effects of the labour shortage referred to by the feminist above were not as yet discernible. The shortage was of young production workers. Most of Marumaru's women employees were office workers, and male office workers, older men and graduates, were not in desperately short supply. It seemed unlikely that women would be offered the same terms of company membership as men or the same opportunity to make careers, at least for many years.

My conclusions, both from observation and from the questionnaire returns, were that a person's attitude to the company was closely associated with his (or her) position within it, his expectations from it, and the possibility open to him of leaving it for better terms elsewhere. The older company members, who received the highest pay and the best jobs, were naturally most disposed to identify their own interests with those of the company. The young workers, who of all employees, received the least immediate return for their efforts, and also had the best prospects of jobs elsewhere, urged their own advantage most strongly, and seemed to lack any obvious regard for the company.

Nevertheless the immobile employees, and especially those who had recently been mobile, were sensible of the distinction between their own interests and those of the company. They resented being used by Marumaru, and they were dissatisfied with their rewards from the company,

even while they realised how much they had gained from their association with it, and how far they would continue to depend on it. Their attitudes were complex and even contradictory, derived as they were from self interest, habit, nationalism, and, no doubt, attitudes of employee, especially immobile employees, to their fellows, who also constituted the company, but in a social sense, were more complex still.

Finally, I should like to emphasise once more that there were no obvious differences in the attitude to the company of workers and managers among the immobile employees. Such differences were precluded by the uniform treatment accorded to both under the standard ranks and pay systems.

b Relations between company members

A The immobile employees

I have already emphasised how Marumaru differed from a western company in the degree to which its members were socially isolated from the rest of the population, a world of its own. Those men who were constrained from leaving by nature of the Japanese labour market were destined to share each other's company for twenty or thirty years, and it was understandable, that they should place great emphasis on getting on together, and avoiding any schisms or feuds.

A second reason why company members should be conscious of a need for concord and harmony was that many of them were related to each other by kinship or 'connection' (kone). A man who failed to fit in with his colleagues might cause embarrassment to a superior who had sponsored his entrance into the company, or to a brother in another part of the company, or a marriage 'go between'.

As I remarked in an earlier chapter, I heard a great deal from these immobile members of the company about 'good human relations' (ii ningen

ii

kankei). Despite its abstract and even technical flavour, the phrase appeared frequently in quite normal conversations, and it was interesting that a man would use it about a group to which he himself belonged, as if he were a third party observing it. It was almost as if the ideas of the 'Human Relations' school, ideas that have been widely disseminated in Japan, had been so thoroughly absorbed into Marumaru that everyone was his own personnel manager. Good human relations begin with the work group. In the ideal factory unit or office section, all the members would be on good terms with each other. Not only would there be amicable relations within working hours; everyone in the group would want to participate in group activites outside work. Indeed, the company made available small sums of money to all those in charge of units of organization so that they could take their subordinates bowling or to a restaurant.

In some units of the organization, members went out together only three or four times a year; in others there was a tradition of monthly or even fortnightly visits to restaurants or bars. As well as these semi-formal outings, there would be many occasions on which two or three members of a unit would go to a bar together.

The necessity for good relations within a unit did not, of course, obviate the need for good relations between people of different units, and especially those who had to deal with each other. Members of the head office production department, for example, had to be friendly with the production supervisors whom they aided and advised; the package engineers from head office had to be on similarly good terms with the salesmen in the factories. Good relations were established between men from different units, as between men within the same departments and sections, by communal entertainment. A visiting engineer from head office would be taken out by the factory production staff he had come to help. He would join in their drinks parties and become, for the duration of

his visit, one of their number.

The same self-conscious gregariousness was to be found in all groups or associations of immobile workers within Marumaru. The graduates from the main office hostel seemed to cultivate relationships as intense as possible among themselves, working in the same sections during the day, playing mahjong or going to bars together in the evenings, and visiting places in twos or threes on Sundays. The union leaders marked their committee meetings with a frenzy of entertainment. During the ten days of bonus negotiations, the union executive committee members stayed together from early morning to late at night, though they would only have needed to spend two or three hours a day on the actual business of negotiation.

Though a casual observer would have been impressed by the eagerness which employees showed for each other's society, and the remarkable ability they displayed for getting on together - I myself was surprised when I first entered Marumaru by the fact that all the people I haphazardly invited together to join me in bars always appeared such good friends - yet 'good human relations' were essentially superficial. Marumaru members themselves would often contrast family ties and old friendships formed at school or college, with relations with colleagues (cf Cole, 1971, p 166). With his family and his true friends a man could be himself; but among those he worked there was always an element of strain and a need for circumspection.

The reason why genuinely good human relations were so difficult to attain was, of course, that Marumaru was not a social club but a highly organized and disciplined industrial company. Company members were in consequence placed in competition with each other, and they were also made each other's superiors and subordinates. Competition and hierarchy naturally impinged on all, or nearly all, their relations with each other.

The competition was intensified, and the hierarchy made more complete by the system of standard ranks and grades. Because the ranks and grades applied across the entire company, and because of the lack of specialization, any two men were either rivals or subordinate and superior.

If promotion had been precisely correlated with age and length of service then, theoretically at least, company members would have had no reason to compete with each other. In practice, however, even in those parts of Marumaru, such as the factory sales sections, where appointments were made largely according to age, competition between company members was intense. The gains and losses in the struggle were apparently slight, but so thoroughly did everyone know the biographical details of everyone else, and so nice were the calculations of precedence, that to reach a grade a month or two ahead of one's contemporaries would have been accounted a considerable success. In any case, even though all the members of an intake might rise through the standard ranks together, there would be great differences in the responsibilities they were accorded, the extent to which they were allowed to participate in the deliberations of upper management, and other marks of estimation to compete for. On the shop floor, of course, the rewards and penalties of competition were rather more obvious, and the motive to compete intelligible to an outsider.

The company officially encouraged competition. As the satirist of 'Cloud' observed, it was arranged that salesmen and production workers competed against each other every day, and the results were published weekly on large notice boards. It was true that the competition was between teams and on the company's behalf, and not between individuals for promotion, but the two forms of rivalry were implicitly linked.

Fox (1971, p 125), writing of the inconsistencies of ideologies in western industry, has remarked on the difficulties of reconciling

the need for loyalty and teamwork with the ideas that company members should be competing against each other for advancement. At Marumaru the difficulties were particularly great. The same isolation that made the maintenance of 'good human relations' so much more important than in a western company, also exaggerated the competition. Success became all the more desirable for being won over an unchanging group of contemporaries and colleagues. Failure was harder to escape either by leaving Marumaru or by participating less in company life and taking up outside interests.

At the same time as he was competing with his equals, each employee was permanently subordinated to the same superiors. The strain of subordination was perhaps even greater than that of competition.

Marumaru was in many ways more authoritarian than a western company. A man who could not leave the company easily had little choice but to obey orders. There was no set process by which even a non-manager could appeal against a superior's decision; for a man in the standard ranks to attempt to make such an appeal would have been thought mutinous.* Because of the weakness of the union there was no source of power other than the upper management and the board of directors. Finally, there was only limited recognition of the authority given in the west to special knowledge.

The scope of authority was also wider than in the west, just as the distinction between public and private life, work and leisure was less clearly made. There were occasions - the funeral I mentioned in an earlier chapter was one of them - when it was in order for a superior to employ a subordinate on his private business outside office hours. Sometimes the subordinate would undertake these duties cheerfully, as a normal part of his job; but even if he resented doing them, there was little he could do about it.

* Fox, 1971, p 140 has remarked how grievance procedures in British companies are not expected to be used by managers.

Perhaps the most forceful representation of the absolute nature of superordination and subordination in Japanese companies can be found in the comic strips in newspapers and in television skits. Invariably the department head, portrayed with grotesque features, is to be seen shouting abuse and beating his prostrate subordinates on the head with rolled up sheets of foolscap. The impression of authority is demanding, brusque, and unfeeling, in a world far removed from 'good human relations' and management familism.

So these immobile employees, isolated and arranged in their ranks were required to compete, obey and at the same time preserve the most amicable appearances, constraints that made it impossible for them to behave naturally and unaffectedly. If, for example, a man were too much at ease with the senior men in his work unit, he could be accused of sycophancy by his colleagues; if he paid his superiors too little attention he might be supposed insubordinate or at least unco-operative. If he was too reserved with his contemporaries, he would be suspected of being unhealthily ambitious. If he were too friendly with them, problems would arise when he or they moved slightly ahead in the race for promotion. In order to avoid criticism and remain on tolerable terms with everyone, the immobile employees had to learn to supress their true feelings and behave if not deviously, at least with considerable circumspection.

In these circumstances it was extremely difficult to find out what people really thought of each other. The details of the discords in any department were more readily available the further removed my informants were from that department. People who were actually involved in, for example, competition with their fellow workers, would deny that competition existed within their own work units, though they would admit that in other, less happy, sections men might possibly be trying to surpass

others in pay or rank (cf Cole, 1971, p 107).* I have already mentioned how men at the Yokohama factory were shocked at the demand for promotion actually made by a uniquely forthright member of their own group, but presented to them as a letter from an English worker to his boss.

Those who knew the people involved in an issue but were not party to it themselves would discuss the problem in curiously oblique language, full of phrases like 'uninteresting' (omoshiroku nai) or 'complicated' (fukuzatsu), which were very chameleons at taking on the colour of a context. It was often very difficult to tell from these vague allusions exactly what the problem was.

One example of how employees (in this case not, strictly speaking, immobile employees) expressed themselves on delicate subjects came from the questionnaire returns. The difficulty concerned the senior men in a certain unit of the organization (not, however, at the Yokohama factory). Two older women, both of long service and some standing in the same section, wrote on their forms :

> 'I don't dislike my work; in fact, it's work I've been given to do for a long time and I like it. But with my present superiors it's simply impossible to make work interesting (omoshiroku shigoto ga dekimasen). The people below are to be pitied. Aren't they ignoring the people below too much? Everyone in this section wants (the senior men) to keep a firm hand on things at work (shigoto de kibishii no wa mina ... nozonde orimasu ga); but it would be a much happier workplace with superiors who could be trusted and whom subordinates could genuinely get to like.'

* Though Cole remarks that none of the workers in his factory was willing to admit that he aspired to promotion, yet he later (p 166) says that 'workers spoke quite freely about competing, in contrast to the caution with which they spoke of production restriction'. Workers at Marumaru, though they did speak about the wall charts showing the production figures for each team, always seemed to show signs of embarrassment about them.

> 'I think that A and B (two superiors) should take a little more responsibility. I think that people from other companies and outsiders have lost faith (shinraikan) in B. I feel uneasy ... I am very sad at having to say things about seniors behind their backs.'

A third person in the same section to complain about the problem was a young man :

> 'Contrary to my expectations, the people above are warm, and that's very good. But in this section, human relations are complicated (fukuzatsu) and things are tough. Human relations are not particularly affecting the work, but it's simply that one wants to work in a good atmosphere. I am very envious of X section. I am still learning, and I would like things to be done strictly (kibishiku) like C does them.'

X section, which the young man mentioned with envy, was a small one in which there was antipathy between the most senior man and his immediate subordinate, and in which one of the women caused much trouble by failing to do her work and playing up to a director to whom the section was responsible in such a way that those in the section itself were unable to correct her failings. All this, of course, was unknown to the young man at the time.

The cause of these complaints - which took me several months to discover - was that one of the senior men of the section (B) was a misanthrope who did not much like the society of his colleagues. He also disliked, and avoided if he could, going to places outside the company, even though his duties required it. When, a year later, he was moved to another job, the problem disappeared. What I want to emphasize, however, is not the problem, but the language of the complainants, their reluctance to be specific, and their use of emotional terms. My own informants spoke in exactly the same way about each other, even using the same phrases.

If those actually implicated in a problem of 'human relations' were silent, and those near to them but uninvolved in the issue spoke obscurely, the disadvantage of informants who were further from the scene of an action was that they were too informative. It was never very

difficult, particularly in bars, to induce a man to expatiate upon relations among his more remote superiors, his counterparts in other factories, or any other company members whom he did not normally meet in the course of duty.

Five types of explanation of personal problems in other parts of the company were commonly put forward by informants. The first was antipathy between a superior and subordinates, which had often arisen for no more concrete reason than that a previous superior, with whom the subordinate's relations had been good, had been transferred and replaced by a man with a different style of management. The second was fierce rivalry between men in the same standard ranks. I was told that two sub-section heads, two department heads, even two directors were on such bad terms that they could hardly speak to each other. Many of the people who were said to dislike each other so intensely gave every impression of getting on well together. Occasionally, however, one of them would speak about the other in a turn of phrase - often ironic and self-deprecating - that implied some degree of hostility and confirmed the rumour.

The next two types of explanation concerned sycophancy and favouritism. A man was said to have risen to his rank by flattering superiors (gomasuri) and in consequence was disliked by his colleagues. Or again, he had been promoted because he had had kin relations in upper management (cf Sheth, 1968, p 107). Since men were recruited into Marumaru chiefly by kinship and connection, this last accusation could be directed at a very large number of company members. There was no certain way of verifying either of these charges. One man's politeness was another's ingratiation; and who could tell whether a man was promoted simply because he was related to a superior, or whether the fact that he was related to a superior had merely served to bring his genuine ability to the attention of upper management?

The last type of explanation was that - as in the problem mentioned

in the questionnaire - one of the members of a work group was incompetent or lazy, and was therefore causing the others work. An inefficient section member often gave rise, it seemed, to bad feeling within a section; by contrast, the inconvenience caused that section by the mistakes of other units appeared to be accepted with resignation. In the case of the American box, for example, the salesmen who were required to sell the box before the patent had been sêcured, and before anyone knew how to make it, criticised the sales technical service for its mis-handling of the affair, but without rancour or resentment.*

By the time I left Marumaru departments that had once seemed to me models of 'good human relations' had been revealed to be full of animosities and spites. Sections whose members were always to be seen together in bars, and in which the senior men were continually inviting their juniors home, proved to be beset with bitter rivalries, or to contain people whose transfers to other factories everyone else was eagerly awaiting.

The strain of dissembling, self-effacement, and ingratiation required in Marumaru life was eased by two processes : transfers and going to bars. I have already explained how the frequent transfers of managers and senior workers kept the company one and prevented any factory from becoming too independent. Transfers also brought new faces into a work group and removed old ones, dissipating local acrimonies by separating rivals and giving subordinates a change of superiors.

* Fensham and Hooper (1964, pp 159-172) have described how recriminations arose between operators handling the same machinery in each of two shifts in a British textile factory, because the output bonus of each shift depended on the machines being left in good condition by the last shift. I did not hear of similar problems at Marumaru, though the machines broke down often enough. The circumstances were different in Marumaru and the textile factory; but it has to be admitted that I had not then read the work of Fensham and Hooper, and was not looking for the difficulty.

But the finest respite from the travails of the company was to be found in bars. Perhaps, as many employees remarked, life would have been quite impossible without the amazingly numerous bars near to hand at Yokohama, and indeed all of Marumaru's sites and offices. There were a few employees who disliked night-life, but most went to bars two or three times a week, and some spent as much as a third of their income at them.

As I suggested earlier, men usually went to bars with those they were associated with at work, or those who lived with them in the company hostel. Perhaps because it was easier to forget competition than rank, the nearer a group of revellers was to the same age and rank the more convivial the evening should be. A typical party might consist of a section head, a couple of sub-section heads and a team leader, or four or five young men between the ages of twenty four and thirty, who had set out for a night on the town for no better reason than that they had found themselves on the same bus after a long day at the office or factory.

The world of bars was the antithesis of that of companies. A bar would usually be presided over by a motherly older woman (mama-san), sympathetic, willing to listen, but witty and capable of tart remarks. There might be bar hostesses; these would either be called 'neechan' (elder sister) or else addressed by their personal names, a usage reserved outside bars for wives and sisters. The customers, nearly all of them company employees, were often given childish sobriquets, usually ending in the infantile form, 'chan'. To visit a bar was therefore a return to childhood, as indeed some employees explicitly recognized, seeking out bars where the mama-san reminded them of their mothers, or came from their own home regions. Perhaps even the rustic decor of many bars was an evocation of childhood to the majority of customers who were

of country origin.*

The customers were naturally anxious to maintain and contribute to the illusions that the bars purveyed. It would not do, for example, for a Marumaru man of a certain rank to go to a bar frequented by other company members well above him or well below him in rank. Not only might he be discomforted by the actual appearance of a senior; but the conversation of the _mama-san_ and the hostesses, who would all know something about Marumaru, would contain references of the wrong sort and prevent his relapse into childish ease. Thus Marumaru employees at the Yokohama factory distributed themselves over as many as thirty or forty bars.

Just as it would have been pointless for a man to go to an unsuitable bar, it would have been equally a mistake to go to the right kind of bar and remain too sober. I myself, struggling against the effects of alchohol to remember what was being said to me, was often reproached for being too inflexible and unbending (_katai_). I soon learned that it was best to do what my companions did, and assume an intoxication I could not feel. For drunkeness and drunken appearances were not merely accepted but approved;** to prove oneself too nimble of mind after a night of drinking was, on the other hand, a sin against hospitality.

* I should note that not all bars fitted the description I have given. Recently a new and very different type of bar has achieved much success in the big cities, catering for office girls. These bars are huge, noisy, garish, with cosmopolitan pretensions; and the staff are young men in evening dress. But such bars were not patronized by the more senior company employees I have been talking about in this section.

** But only outside work. It was considered slovenly to drink so much as a glass of beer during the lunch hour.

In the right bar and at the right moment, nothing a man said or did would be held against him (cf Nakane, 1970, p 125). It was not uncommon for one of my companions suddenly to announce himself the best worker present, or the only man of his year with any real knowledge of sales. The assertion would provoke either raucous laughter, or a maudlin denial and a counter-claim from one of the other employees present. Sometimes an office argument would be reborn in a bar conversation, and the protagonists would abuse each other in a manner quite intolerable in the workplace, where the argument had originally arisen. As the evening went on the disputants would lose their singleness of purpose and carry each other home drunk, muttering incoherently. By the next morning everything would be forgotten or at least forgiven, and though the issues might remain they would at least be less rancorous.

B The mobile employees

i The young non-graduates

Relations between the immobile employees were conditioned by a general desire to maintain a factitious harmony in a closed hierarchical group, but among the young shop floor workers, who could easily leave the company, there was much less consciousness of a need for harmony, working groups were impermanent, and rank less finely differentiated.

The fact that so many of their colleagues left the company naturally encouraged those who remained to consider opportunities beyond Marumaru. They did not, therefore, feel the same need for 'good human relations' or the pretence of them. They did not have to be so tolerant of the foibles of superiors as the immobile employees; there might be more congenial superiors elsewhere. If they disliked their colleagues, they could always leave and find new ones.

Moreover, so many people were coming and going on the shop floor that the young workers there were spared that intensity of association with each other that might have encouraged animosities, or made what quarrels there were more acrimonious. A salesman might work two or three years with the same handful of colleagues, but a shop floor worker would have a new team-mate every two or three months; besides which the seasonal and temporary workers attached to the team would change frequently.

If a young worker did dislike his work team, he would have little hesitation in asking for a transfer to another one. The officials of the labour department, though they might rail at the capriciousness and lack of perseverance of young people, would usually comply with the request, knowing that if they did not the worker might resign. Older workers, who were in any case more reticent about applying for transfers, could safely be refused.

Much of the strain of relations among the immobile workers arose because they were competing for positions in the company hierarchy. Competion between the younger workers was much milder, largely because there were no specific rewards to compete for. A man would not reach the lowest grade name until he was twenty six or seven, or the semi-official position of machine head (<u>kichō</u>) until he was twenty four or five. Moreover, at this level the work and ability ratings were accorded with the work a man did, and changed when, for one reason or another, he was moved to a different machine. Though it was true that older and more experienced workers were usually to be found at the more complicated machines, so that they received higher work and ability ratings than younger and less experienced workers, allocations to new machines were sufficiently frequent, and the work and ability ratings themselves sufficiently convoluted - a 5/5 man receiving less money, for example, than a 4/9 man for the ratings to be a poor measure of success, or incentive

to rivalry.

There were many occasions on which the young non-graduates showed themselves reluctant to compete. When, for example, they refused to do overtime or Sunday work, they not only manifested a 'selfish' attitude to the company but also waived a chance of showing themselves more willing and more worthy than their rivals, something no older worker could have done. And again, young shop floor workers did not call at the houses of their superiors at the New Year to pay their respects. Graduates and older workers, however, would have been afraid not to make an appearance along with their colleagues.

Social relations on the shop floor were, therefore, open and without affectation by comparison with those in the rest of the company. A man associated with his friends and avoided his enemies, and was prepared to reveal in word and action what he thought of other people.

In the last section I described the acute discomforts of the shop floor workers in their late twenties, who moved in the course of a few years from a loose to a permanent association with the company, rueing their loss of freedom; while at the same time they married and so entered what was financially the most difficult period of their company lives. These workers were not only altering their relations with the company but also with their fellow workers. With the knowledge that they could no longer afford to leave Marumaru came a new need to conform, to please superiors, and to get on with and get ahead of their contemporaries. No doubt this change in their social relations contributed towards their confused and equivocal state.

ii <u>Women</u>

Most of the women at Marumaru were young girls in their twenties who did not expect to stay with the company for longer than three or four years, and who could leave with ease at any time and get a good job elsewhere. They, like the young male shop floor workers, had less

need than the older men to make a conscious effort to maintain 'good human relations'. If they did not like something or even someone they did not have to take great pains to conceal their feelings. So a woman who had no fondness for the people she worked with could wander off in the lunch break and attach herself to the members of another section, or decline to attend when the members of her own section went to a restaurant together.

Like the young non-graduates, also, women were spared the rigours of competition. In the case of the women, however, it was not simply that there were no immediate rewards to compete for; since Marumaru did not offer women the same opportunities as men to make careers for themselves there was no promise even of eventual rewards.

The conditions of their employment were one important influence on the social relations of women. Another was the fact that they were women, for, as I noted in an earlier chapter, in few industrial societies are the roles of the sexes more clearly differentiated than in Japan.

Certainly men and women seemed to live separate social lives at Marumaru. During the lunch breaks women tended to gather together in the switchboard room, while the men played games or left the company premises for a meal. In the evenings the men would go to bars of the kind described above, where women guests would not have been welcome. The women usually went straight home, but if they did go out it was to cocktail bars or restaurants. No woman had ever visited the Yokohama factory hostel - at least as far as any of its inmates could remember. Only once or twice during my stay did women visit the main office hostel, and on one of these occasions an incident took place which revealed how firmly even young and educated men believed in the social segregation of women. One of the men of the hostel (a member, as it happened, of an ascetic Christian sect), put up his fiancee

for the night in his hostel room while he slept with a friend. When she had left, a meeting of the hostel members was called at which he was censured, only two other residents taking his side.

Even when men and women took part in the same social events, they seemed to remain apart. On the head office outing men and women sat separately in the bus on the way to the seaside resort where the party was to be held; on the way back a man of thirty sat with a woman of twenty eight, to the amusement of the less courageous members of both sexes. The highlight of the outing, for the women at least, was the dance which took place immediately after supper. Within two hours, however, all the men had gone off to play mahjong, leaving the women to go back to their rooms.

There were one or two women who did join in some of those activities which would otherwise have been entirely the preserve of men. They joined the mountaineering club, and competed in the table tennis tournaments. These women were thought of not as vamps but as tomboys; indeed one of them was called not '-san' but '-kun' by her men friends, 'kun' being the suffix for male names by which senior men addressed their juniors.

Though the reserve and shyness which men and women showed each other was largely a reflection of Japanese attitudes in general, some caution was made appropriate by the circumstances of company life. The men of marriageable age were usually immobile employees for whom the company was or should appear to be the first consideration. A man who showed too much interest in the women he worked with risked being thought lacking in seriousness. Moreover, it was very difficult in so closed a society for a man (or a woman) to enter into a private relationship. I was told, for example, that one man who took a company girl out found himself receiving well intentioned advice from his superiors on whether he should marry her.

It was very remarkable, considering how little men and women

associated with each other, how many company marriages (shanai kekkon) there were at Marumaru. I earlier gave figures to show that as many as half the women in Marumaru's employ ended their careers by marrying workmates. A few of them had 'dated' their husbands in secrecy; one of my head office acquaintances who announced his engagement just before I left Marumaru had taken great care not to reveal to anyone that he was courting. Yet the lack of gossip about romance, at least among the men, in comparison with the enormous amount of slander and speculation about company politics, seemed to suggest that there was very little 'dating', secret or otherwise, and that many men proposed to women whom they knew only as workmates, and as a result of company and departmental functions.

Wives were thought of more as complements than companions to men. It followed from this that marriage - which, strangely enough, Marumaru men talked about incessantly, though only as an abstract state - was approached more mechanistically than in the west. Few employees at Marumaru would have gone as far as the man who told me that, within reason, any woman would make him a wife. (He was true to his word and engaged himself to a woman after no more than a two hour miai interview.) But certainly most men thought, when they thought of marrying, of a congenial person to keep a home more than of a unique soulmate. There was no need for a man and a woman to explore each other's personalities, or ascertain that they had common interests. Even apparently casual relations between young men and women could be an immediate prelude to marriage. (cf Blood, 1967, p.59)

On marrying a workmate a girl would retire and set up a home. Though in her early married days she would continue to see those of her girl friends in the company who were not yet married, as these left Marumaru over the following two or three years she would cease to have any contacts with the company beyond those provided by her husband.

Marumáru men were very anxious to keep company and family separate, and husbands rarely encouraged their wives to interest themselves too much in company affairs, so that a wife who had met her husband at work would soon know as little of her husband's working life as if she had never been in Marumaru. Several of the wives of company marriages whom I met would not have been able to name more than two or three of a man's more immediate superiors.

c Conclusion

In this chapter I have shown how the degree to which an employee was mobile affected both the attitudes he expressed towards the company and also his relations with his fellows. The immobile company members had pride and affection for the company, and yet resented its demands upon them, the conflict within them being exemplified most openly in the confused querulousness of the newly immobilized non-graduates in their late twenties. In dealing with each other, too, the immobile company members were subject to conflicting forces, and their behaviour had in consequence to be circumspect and artificial. The mobile workers, however, were notably more forthright and self-assertive in their views of the company, and more direct and open in their relations with each other.

By considering mobile and immobile employees separately at each stage of my exposition, I have, perhaps, given the impression that there were two distinct societies within Marumaru. In fact, however, the influence of the immobile employees on social life at Marumaru was overwhelmingly preponderant. It was the immobile employees who ran the company and dominated its institutions. The mobile employees, who were all young men and women, had no power or authority, and constituted no more than a marginal category of company members all of

whom would, in a short time, either leave the company or become immobile.

Company life, by which I mean the life of the immobile employees, was, then, a life of conflict and anxiety, a perpetual effort of accommodation and adjustment to the requirements of the company and to the society of other company members, as indeed employees of all types, both immobile and mobile fully understood. Many of them implicitly and explicitly drew the comparison between the worlds of big and small business to the disadvantage of the former. In big business one had to fit in with what a company expected of one; in small business, even though there was no security, human relations were good, and a man could be his own master. I have mentioned how immobile employees dreamed of owning their own small firm or shop, and particularly of running a bar or a fish stall of the kind they sought respite at every night. It was not easy to discover where those mobile employees who left went to after resigning from Marumaru, but it appeared that they, too, had been particularly attracted by the freedom offered by small business, and particularly the 'water trades' (mizu shōbai).

I said above that the young mobile workers were powerless to impress their attitudes on Marumaru. The institution through which they might have done so was the company union, for though these mobile workers were in a minority in the company they formed a slight majority of union members, that is, of employees below the standard rank of sub-section head. In the next chapter I shall be explaining how they were prevented from exercising the influence their numbers might have given them, and how the union was in fact run by immobile employees of the team head rank and its corresponding grades, whose interests and values were similar to those of the immobile employees who were in management positions.

CHAPTER VII LABOUR-MANAGEMENT RELATIONS

In this chapter I am going to examine what would appear to be a paradox. The company union at Marumaru was poorly organized, impecunious, and ill-supported by its members. It was led by men who were at odds with those they represented and inclined to disagree with their own deputies in the leadership. It was justifiably frightened of taking any action that would have damaged the company, any strike, or go-slow, or withdrawal of practical co-operation; for it would not have been able to protect its members from the company's retaliation. It was in nearly every respect a weak union, not only by the arbitrary standards of a westerner, but also in the estimation of its own members. Nevertheless, it achieved most, if not all, that a very much stronger union could have done.

The explanation of the paradox was that the union and the management at Marumaru, as indeed anywhere else, were not unitary bodies, but were instead compounded of various categories of people. The union, for example, was an enterprise union in a closed shop, and therefore included women and men, younger and older workers, graduates and non-graduates, shop floor workers and office staff. The management consisted of directors and employees, graduates and non-graduates, and all sorts of functional groups that could be expected to take their own view of the union. (cf Chamberlain and Kuhn, 1969, p 375) Some types of manager had identities of interest with the union, or at least with large sections of the union membership, and conflicts of interest with other types of manager; and conversely, certain union members allied themselves with men in the standard ranks over certain matters, and were opposed to their fellow unionists. It was the strength of these alliances across the divide between the management and union that gave a weak union the chance to impress its will on the management.

As I showed in the last chapter, there was a great difference in

the standing, and therefore in the behaviour and attitudes of the immobile workers, the older shop floor workers and graduates, and the young mobile shop floor workers, even though both types of worker were members of the union. Many immobile workers felt considerable loyalty to the company and were anxious to promote its interests as far as possible. Even those who had little emotional attachment to Marumaru had to remember that they would have to spend a very long time with the company, so that its prosperity was a condition of their own. Moreover they could expect shortly to cease to be union members and to pass into the standard ranks of management, a consideration that would discourage them from opposing company policies too vehemently. On the other hand the young mobile workers, who were badly paid, and for whom promotion was still many years off, had much less reason for loyalty to the company. They also had less need of hesitation than the immobile workers in pressing their claims, because they could always escape Marumaru's retribution by moving to another company. There was therefore a considerable difference in the ends of the two types of unionists, and in the choice of means available to them.

On the management side it was possible to make a distinction between upper and lower management. We saw in the third chapter that effective power was in the hands of a small group of senior directors in the uppermost standard ranks, the president, the vice-presidents, and the senior managing directors. In the lowest standard ranks, on the other hand, the sub-section heads, as I showed in the last chapter, felt themselves as much put upon by 'management' as those below them in the union. The distinction between upper and lower management was associated with that between directors and employees; the upper managers all being directors and the lower ones employees. But certain of the junior directors were in the same standard rank as the senior employees, that of department head; and here the distinction

was unclear.

Two sets of common interests united these categories of managers and unionists, so obscuring the division between management and labour that, as I have noted, the terms were not used at Marumaru. The first set of interests was that of the immobile members of Marumaru, the upper and lower managers, and the senior unionists. The second set was that of the employees, the lower managers and both types of unionist :

Immobile	Upper manager	Director
	Lower manager	Employee
	Senior unionist	
Mobile	Junior unionist	

The fact that the senior unionists were immobile, and had to live with the consequences of any disruption they caused the company, worked to weaken the union. Yet at the same time the immobility of the senior unionists, who were, as it happened, the leaders of the union, gave the union a powerful weapon against the management, for the co-operation of the union was important in maintaining the overt harmony essential to good human relations among the immobile workers of the company. If the management acted in face of the union's opposition, it risked creating an unrest intolerable in so confined a community. Later in the chapter we shall see how the management discontinued a shift scheme rather than face incessant union protests.

The management was also constrained from pressing too far the advantages it had over a weak and divided union because many of its own ranks were filled with people who, like union members, were employees of the company. The conditions the management imposed on the union, for example, immediately determined the conditions offered to a large proportion of the managers themselves because monthly wages, bonuses,

holidays, and even shayō were regulated by scales which applied to all employees. And indeed the upper management tacitly recognized that the union spoke for everyone up to the rank of department head when it discussed with union representatives the question of putting the names of the standard ranks in 'English', even though these names would never be bestowed on any union member.

I will begin my account of the union with a section devoted to its organization and membership. I shall explain how far the weakness of the union, in the sense of its inability to take any traditional form of industrial action, was the result of the deliberate policies of past and present union leaders, all of them immobile employees; while the young shop floor workers remained unrepresented in the union's counsels.

In the second section I will show how the union, despite its feebleness bargained successfully with the company over two issues, one the normal one of the annual bonus, the other a special problem of shift work. Here too we will see the division between mobile and immobile workers expressed as a rift in the union leadership as the union came under pressure. And, though I myself saw union activities largely from inside the union, I will suggest how discord among the management may have helped the union gain its ends.

a The union and its members

Twenty years before I joined Marumaru, in the company's earliest days, there had been three unions within the firm, one for each of three factories. Within a year of Marumaru's foundation one of the factory unions called a strike which continued for three months until it was ended by the dismissal of a number of the union leaders. According to the president of the company, who had been general manager at the time, the trouble was caused by communist agitators, and several other, much larger companies in the area had been victims of similar

disturbances during the same period. I asked several people who either were or had been union supporters for their version of the strike. None of them was able to say more than that the problems had been caused by communists. The event had taken place long before they had entered the company, in a factory which no longer existed. Those who had been involved in the strike had nearly all left the company; and the strike itself had become merely a distant historical event, of no relevance to current union activities.

Shortly after the strike ended it was decided to form a new union by amalgamating the three factory unions. No one seemed quite sure who had presided over the formation of the union. My best informant, a man who had been there at the time, said that the founders had been men with union experience in other companies who had drawn up a constitution, and then informed the local papers before telling the management. Most of Marumaru's directors had been dismayed at the formation of the union, but the president (then manager) had, he said, welcomed it.

But there were those who thought that the real initiative for the formation of a new union came from the company. The president of Marumaru had himself been a union leader when, as a young man, he had worked in Marumaru's parent company. During his term of office, so he told me, he saw for himself how communists worked and decided that he did not like communism. He had indeed held what he called a 'worker's trial' of certain communists, and thereby caused their dismissal. These early experiences, together with the strike at the Marumaru factory, convinced him that unions were turbulent (yakamashii) and that the only good union was a subdued one. It therefore seemed very possible that he founded, or rather encouraged the foundation of the new union in order to weaken it from the start and deprive it of influence. By the terms of the first management-union contract, the

union forswore its right to join any outside body, such as a national union congress; membership of a congress would have greatly increased the union's ability to oppose the company. Again, if a strike were to be called - and a strike would have to be approved by two thirds of the union members in a secret ballot - then various categories of workers would not take part : the salesmen, telephonists, electrical engineers, and boilermen. In subsequent agreements the union was persuaded to waive other rights, notably that of negotiating wages at collective bargaining sessions.

The relinquishing of the important rights to join a congress and to bargain for wages, though obviously very welcome to management, could not have been achieved without the co-operation of the union's own leaders, who had, with apparent willingness, created a union organisation which limited the union's capacity to act against the company.

The highest body of the union was the general meeting, which took place in June, at the beginning of the union year. Each factory (and the head office) sent one delegate for every twenty union members. In some factories these delegates were elected, in others they were appointed by senior union members. In either case they tended to be employees in their late twenties. The factory delegates were joined at the general meeting by the members of the executive council of the previous year.

The general meeting had three functions, the first being to establish union policy for the coming year. Since the meeting only took place once a year, policies could only be very broadly defined, so as not to restrict the executive council. The second function was the review of the achievements of the retiring executive council over the previous year. Now the general meeting was in June, but the main work of the previous executive council had been done in November at

the bargaining sessions with management. In the intervening seven months any passions aroused by the union's performance at the bargaining sessions would have been forgotten; instead, delegates would be more interested in the coming sessions, only five months away. Moreover, the executive council responsible for the previous year's bargaining had already retired by the time of the general meeting, so that harsh criticism would only have aroused bad feelings among the senior union members without achieving any practical results. Nevertheless, I was told, there had been years when the general meeting had shown its vehement displeasure at the activities of the executive council.

It may be wondered why the general meeting was held in June at a juncture when it could least influence either the preceding or the subsequent bonus negotiations. The timing was deliberate. The general meeting had been held in February until 1964, but because in February there were still 'all sorts of problems left over from the collective bargaining', the executive council had caused the meeting to be moved to the summer.

The third function of the general meeting was to elect from among its participants the 'Three Officers' (sanyaku) of the executive council, the chairman, vice-chairman, and secretary. The election was made by ballot, but as a result of 'discussions'. In these discussions the executive council of the previous year, and particularly the retiring Three Officers, played by far the greatest part in choosing their successors. In a year of service they had come to know all the active unionists in every part of the company, whereas the delegates from the factories did not know each other, and were younger and less experienced. The management took a considerable interest in these discussions, as in the elections of less important union officials, and no doubt helped to influence the choice - though

in fact the choice was small, for it was very difficult to find anyone at all willing to take on the more responsible and arduous jobs. When everything had been settled the election took place. I attended the election of the Three Officers for 1971-2, an event remarkable in that there were no declared candidates, all the delegates writing on a piece of paper their choice for each of the three posts, the result being what rumour had long anticipated.

At the close of the general meeting the direction of the union passed to the executive committee, which comprised the Three Officers and one representative from each factory.* A factory representative was supposed to be elected by secret ballot of all the union members in his factory. In some factories the choice was actually made in this way; in others, as a result of discussions among local officials. The factory representatives were not appointed until after the general meeting had ended, and all the delegates had returned to their districts.

The committee was, therefore, of unstable construction. Its leaders were chosen at the general meeting, and none of them was held accountable to any particular district or constituency. They were only called to explain themselves at the next general meeting, that is, after their term of office had ended. The other members of the executive committee had only an indirect say in the election of the Three Officers who led them. These factory representatives were only chosen after the Three Officers had been installed in their posts. Unlike their seniors, the factory representatives were clearly responsible to their constituents; they had to explain what they were doing not merely to the local officers of their branch but also on occasion to mass meetings of the factory members.

* And the head office; in the succeeding discussion by 'factory' I shall mean 'factory and main office'. Two auditors were also appointed by the general meeting to overlook the finances of the executive committee, but they did not actually attend committee meetings.

Though the factory representatives outnumbered the Three Officers, it was the latter who dominated the committee. The committee met only once a month and the factory members, the chairman and the vice-chairman would return to their widely separated districts and their jobs. The secretary, however, was a full time union official, and it was his job to keep in touch with the main office labour department and handle problems between committee meetings. If anything outstanding occurred, the secretary would telephone the chairman and vice-chairman to tell them the news and hear their opinions. If necessary the other two of the Three Officers would leave their jobs and come to the union headquarters at Yokohama or call on the main office in Tokyo. Only when something had been decided were the factory representatives informed. At the next monthly meeting, when the issue would be discussed retrospectively, the factory representatives would be at a great disadvantage. They would only have a sketchy knowledge of events, and they would not have been able to confer before the meeting. They therefore had little choice but to defer to the judgement of the Three Officers.

The Three Officers also gained in influence because they sat on various management-union committees, notably the grade system committee, and the wage committee. This latter arranged the 'base up' or rise in the monthly wages, the right to negotiate the rise having, of course, been waived. In the next section we shall see how membership of the wage committee enabled the Three Officers to settle the bonus negotiations behind the backs of the factory members of the union executive committee.

The union executive committee had the duty of representing the union to the company on all important questions. The committee would meet a team of company representatives at bi-monthly 'friendly talks' (kondankai) at which the two sides were supposed to exchange views

and information. For a number of reasons, however, these friendly talks were of little significance, especially for the factory representatives on the executive committee. To begin with, the talks were merely talks; the meeting had no authority. The management team was drawn entirely from the main office : the director in charge of the labour department, the labour department heads, and the heads of certain other departments. Factory managers or deputy heads from the production side were never present, so that there was rarely any discussion of questions of importance to the union participants, whose minds were on shop floor problems, rather than sales figures or computations of added value. If the talk did turn to the problems of factory life, the management could do little but restrict itself to abstract remarks, since none of its representatives had worked in a factory for years.

What most deprived the friendly talks of importance was the fact that the Three Officers had as a matter of course discussed all the items on the agenda with the labour department long before each meeting. Often, indeed, they had agreed upon solutions to the very problems that they would furiously debate. The factory representatives, though they had every right to join in, were usually silent, partly for reasons of etiquette, partly because they knew less than the Three Officers, and also because they wanted to avoid revealing union disunity to the management. The friendly talks were therefore little more than charades, and the same was true of the bonus negotiations, in which the same people were involved on both sides.

The dominance of the Three Officers over the executive committee was further established by the peculiarities of the branch organization. The factory representatives on the central executive committee were not local leaders. The union constitution did not specify in detail how the branches of the union in each factory should be organized.

The branch mass meeting was stated in the rules to be the highest organ of the branch, but it was not stipulated how often a mass meeting should be called. Each branch was also supposed to have an executive committee with a chairman, deputy chairman, and a secretary, but it was left to the branch itself to decide how these officers should be chosen, or how many other members the committee should have. Yokohama held elections for a fixed number of committee members, who then decided among themselves how offices should be apportioned. At N-, the largest branch, however, the appointments were by discussion, one committee member being co-opted from each functional division of the factory. However, the three local officers, chairman, deputy and secretary, were elected, none of them was at the same time the factory representative on the central executive council. The factory representatives, who were never more than junior members of their local committees, did not have the power to decide things for themselves. Instead they had always to refer back to their local chairmen, and these chairmen, separated from events and from each other, usually had little choice but to follow the policies established by the Three Officers of the central executive committee.

The branch chairmen did have a chance of meeting the executive committee twice a year, in March and September. The branch head meetings had only been instituted two years before I arrived at Marumaru, in response to complaints that since the general meeting had been moved from February to September it had become impossible to debate the results of the November negotiations until too late. These branch head meetings had not yet acquired much significance while I was at Marumaru. They were not constitutional bodies, and therefore had no powers of decision; and they came at the wrong times of the year. The March meeting in particular, though it came nearer to the negotiations than the general meeting, still came three months after

them, far too late to influence their course, and yet too early to enable comparison of Marumaru's gains with those achieved by the national union congresses in the annual 'spring offensive' in April and May.

The branch executive committees met the factory manager and his subordinates once a month at factory friendly meetings. It was at these that the monthly overtime agreement would be made, and that the management would announce new plans and targets. The factory friendly talks were easy and informal affairs, so easy that it was possible to forget that there were two sides involved in them. The union would be represented by a number of team heads (hanchō) among others, while many of the managers would be sub-section heads and section heads, whose work was closely associated with that of the team heads, and who were of similar ages and grades. The impression of an all-management meeting was heightened by the fact that the factory manager sat at the head of the table instead of in the middle of one side, while one or two of the sub-section heads, crowded off the management side, sat with the union. I attended only two factory friendly talks at Yokohama, and at neither of them was there conflict or controversy but a Yokohama manager told me that the union did occasionally jib at more than a certain amount of overtime or Sunday work, and that there were other factories where management and union co-operated even more fully than at Yokohama.

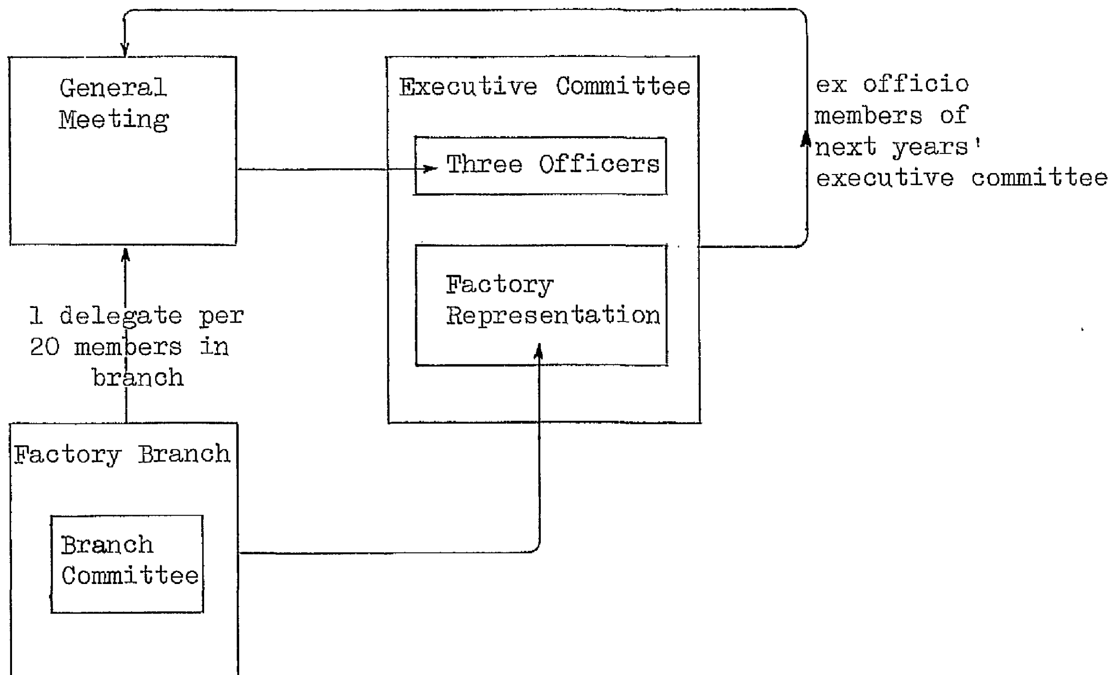
The branch officials were also supposed to handle grievances, but in fact there was no systematic grievance procedure, and at Yokohama there had only been two or three cases, all of them very minor, in which a man had complained to the management through the union. Many shop floor complaints were likely to be directed partly or wholly against team or sub-section heads. The former were either union leaders or at least influential in the union; the latter nearly all

retained close informal contacts with the union.*

* A shop floor worker was required by his team head, an acting sub-section head who was at the same time branch chairman of the union, to work four hours a day overtime, to make up for the absence of the man on the same machine in the next shift. The worker made a public complaint at a branch mass meeting; and though he was complaining in a spirit of mischievous fun, for the overtime payments were welcome, and he knew that the situation would not last, his comments caused considerable embarrassment to the branch committee.

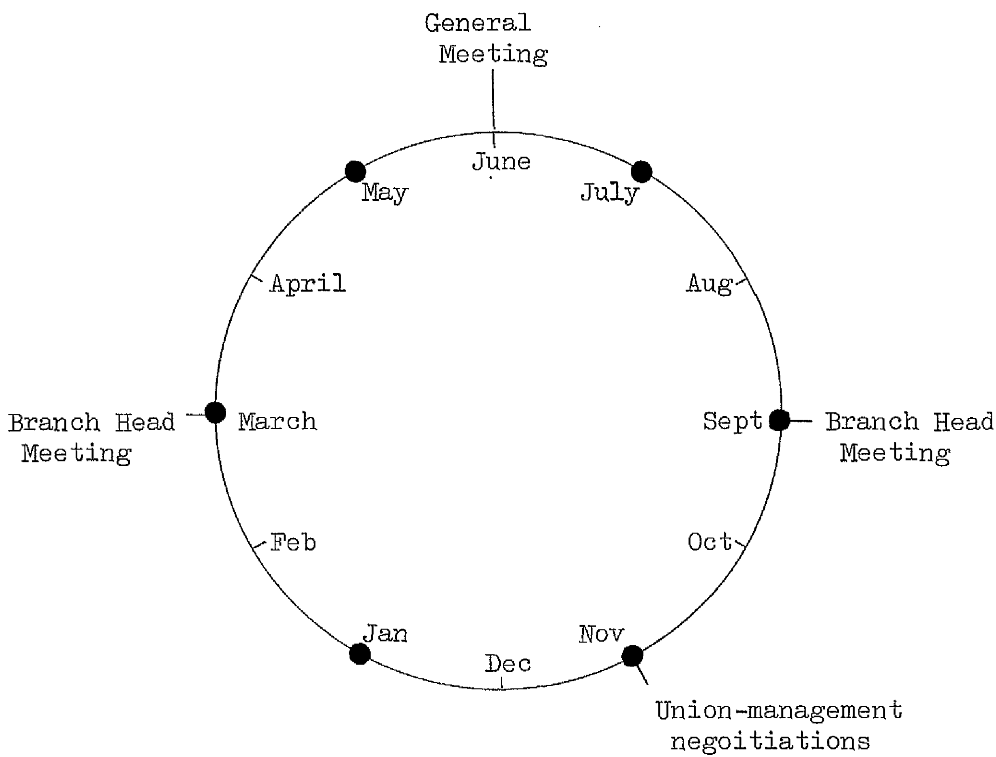
It will perhaps help to summarize the union organization in two diagrams, the first showing the position of the Three Officers relative to the factory representatives of the central executive committee, and to the branch:

Fig. VII : 1



The second diagram represents the union year and shows how separate consultation was from action:

Fig. VII : 2



● - Central friendly talks

The Three Officers, who were by far the most influential officials in a weak union, could not easily be controlled by their fellow officials nor called to account by those who elected them. Their freedom from scrutiny allowed them to surrender more easily to the company's demands than more junior union leaders who had to explain settlements to their constituents. In the next section we shall see how a conflict with the company inevitably divided the union; the Three Officers, who handled most of the dealings with the company, usually favouring co-operation with it, while the rest of the leadership would want to take a stronger stand.

In spite of their difference of opinion, lesser union officials did not seem to criticise the conduct of the incumbent Three Officers, even in private. Instead they told bitter stories of the treacheries of past chairmen or secretaries of the executive committee, who had given away union rights or weakened the union's bargaining position, and who owed their subsequent rise through the standard ranks to the gratitude of the upper management. I have already mentioned the very successful young man (A in Chapter IV) who became a director at thirty five, and of whom it was said that some of his success was due to the manner in which he led the union to management's satisfaction. Several other managers were similarly indicted by union branch leaders, or factory representatives on the executive committee. When I asked the incumbent Three Officers about the stories, they denied detailed knowledge of them.*

The constitutional position of the Three Officers within the union gave obvious advantages to the company. A settlement would be reached between the Three Officers and the labour department, and it

* It was interesting that these stories were not known to those who had not had much to do with the union.

would then be left to the Three Officers to persuade their union subordinates to accept it, the company being spared the effort of persuasion. Yet, as I have mentioned before, the company had to beware of demanding too great a concession from the union; for the divisions within the union might well become unmanageable and extend to damage the company itself. To understand how this might happen, we shall have to consider how the union stood with its members.

I have said that some union officials were elected by ballot, while others were co-opted on to committees; but however they were chosen they nearly all came from the same category of company and union members, those with several years company service, who were just on the brink of entrance to the standard ranks of management. Here are some details of the most important union leaders in office while I was with Marumaru :

TABLE VII. 1

Central Executive Committee		Age	Length of Service	Yrs on Executive Committee	Job
Chairman		39	18	3	Stores admin.
Vice-chairman		40	16	7	Printer; Team head
Secretary		30	8	7	Printer (full-time union official)
Representative	1	45	16	2	Stores admin.
	2	34	16	1	Sales
	3	32	11	-	Printer
	4	29	11	1	Printer; Team head
	5	29	6	1	Factory admin.
	6	26	7	2	Corrugator
	7	26	7	1	Corrugator
	8	25	2	-	Accounts (Graduate)
Branch Chairmen (Four largest factories)					
Chairman	1	39	19		Corrugator
	2	30	7		Sales
	3	30	6		Printer; Team head
	4	26	7		Corrugator; Team head

TABLE VII. 1 (continued)

	Age	Length of Service	Yrs on Executive Committee	Job
Yokohama Branch				
Chairman(3)	30	6		Printer; Team head
Vice-Chairman	30	10		Corrugator; Team head
Secretary	30	8		Maintenance
Committee Member	25	2		Sales (Graduate)

As I explained in the last chapter, these union leaders had in common with the sub-section heads and section heads that they were all newly immobilized employees, manifesting similar attitudes towards the company. Relations between the team heads and their equivalents among the union leaders and the junior members were very close indeed. The team heads had probably spent several of their six or seven years of service to Marumaru in the same hostels as the sub-section heads; and they were their immediate subordinates at work. Moreover, the sub-section heads, for all that they were technically managers, had nearly all been union leaders themselves before their relatively recent appointment to the sub-section head rank. If any company action caused distress and controversy among the union leaders, therefore, their agitation was likely to be communicated to a sympathetic junior management. The upper management might then have to withdraw a judgement that was causing an undesirable degree of contention among its subordinates.

In contrast to the similarity of interests and ideas between the union leaders and their immediate superiors in the company, there was a hiatus within the union between the leaders and the led. The young, mobile workers took almost no interest in union activities and

indeed remained largely ignorant of them.

The disinterest of the young members was partly a result of the weakness of the union. A new recruit soon realised that the union could do nothing to help him personally, and that it had very little influence on more general matters. Even at the time of the bonus negotiations, when the union came into some prominence, members were content to observe passively what was being done on their behalf, convinced that very little would be achieved.

When I asked why the union was weak I was occasionally told that it was because the union officers were too young; the company would not pay attention to such young men. (It will be remembered that the chairman and vice-chairman of the executive committee were about forty.) The cure was to allow sub-section heads to become union members. But more often I was told that the union was weak because its representatives were feeble and did more for the company than for the union. Some of my informants expressed this opinion with great vehemence and contempt; others in a tone of casual acceptance.

However weak the union was it might still have attracted the attention and support of its members if it had made any effort to interest them in union affairs. The official whose concern it was to keep the members informed and enlist their support of the union's cause was the secretary, the only full-time union officer. He, however, was far from assiduous in keeping even the local branch leaders in touch with what the Three Officers were doing; for the Three Officers' activities might not always have met with the approval of their subordinates.

Even the little information that did come to the branch leaders was unlikely to reach the bulk of the branch membership, unless it was serious enough to warrant the calling of a branch meeting. Otherwise the branch leaders might tell their friends and colleagues of some new

development, or lend them the copy of the minutes of the friendly talks which the company, not the union, provided; but it would be some time before the news reached every worker in each of two or three shifts. Moreover, in being passed on by word of mouth, any message would cease to be official tidings from the union secretary and became mere rumour. If the news were important and a branch meeting were called, then two shifts at least could be told of the matter. When this happened the members seemed so ignorant of the union's activities that they seemed to fail to understand the significance of what they were told. Thus in the 1970 wage negotiations, which I shall be describing in detail shortly, few of those present at a Yokohama branch mass meeting realized that the union had long before waived its right to bargain for monthly wages. Many of their questions and demands were therefore irrelevant or meaningless.

The other way by which the secretary could spread news, apart from simply telling branch officials, was by publishing stencilled bulletins on the union notice boards. He did this only infrequently, perhaps six or seven times a year, and the bulletins were not always explicit or informative.

There were two types of bulletins. Before a problem was due to be discussed by union and management, the secretary would issue a long, rambling essay, headed by a slogan : 'Protect the workers' living!' or 'Improve safety and working conditions!'. The essay would be full of strong criticisms of the company; but though it might have been inspired by a particular point of contention with the management, it would only mention that point briefly and without explanation, as if the issue were merely incidental to the main theme, the villany of the company. The reference would have been quite unintelligible to those, the majority of the young membership, who did not know what the problem was. Evidently the message was intended for the union leadership, for

whom it was a rallying cry; and also, perhaps, for sympathizers in the management ranks.

When the problem was finally solved, the secretary would issue the second type of bulletin. This would be clear, direct and factual, an unembroidered statement of the terms of a settlement, without, however, much indication that there had ever been a problem to settle. This second type of bulletin was like, and indeed served the purpose of, a company directive explaining an innovation to the employees, for the company itself gave no similar notice of wage deals or other important changes in conditions. In publishing these bulletins, therefore, the union was acting as a kind of extension of the labour department.

Just as the union leaders were reluctant to keep their members informed, so they also showed little interest in soliciting the opinions of their constituents. I have already remarked on the arrangement of the union calendar so that the general meeting did not interfere with business.

Only once in the previous ten years had the central committee made any systematic enquiry into what members thought, when, in 1964, two hundred and fifty copies of a questionnaire were distributed to all union members in Yokohama and N-. Even though the union leaders were supposed to have taken great pains in administering the survey, and even though the printed forms were prefaced with a statement in bold type that the survey was of the greatest importance to the union, only ninety one members returned their papers.

Respondents were not asked to give names or personal details apart from marital status (35 were married, 46 unmarried, and 10 uncertain), so that it was not easy to tell what sections of the membership they represented. Their suggestions on how to improve the union - each respondent was asked to mention two - were cautious

and moderate :

Central committee should work harder	43
Ties should be made with outside bodies	39
More dissemination of information	30
Appoint a permanent official (there was none at the time)	19
Strike	8
Raise union dues	2

But more than a quarter of the respondents would have wanted to strike in the event of a dispute with management, while few were averse to striking on principle :

Strike	25
Do not strike	2
It depends	61
No reply	3

Perhaps the most interesting item in the survey concerned rationalization. Many respondents, and especially those who favoured striking, had doubts about rationalization programmes, believing that though they might put the company ahead they did little for the workers except cause more work.* Workers did not seem to fear that rationalization would cost jobs; whether or not they believed that the company was committed to the life employment system in principle, they realized that labour shortage made dismissals very unlikely. On the whole, however, the survey provided only the vaguest indication of what the members thought of the union or anything else; and the executive committee lost little through having made no attempt to analyse the results.

* Shop floor workers at a factory studied by Mannari and Marsh (1971b, pp 3-6) appeared, on the other hand, to be strongly in favour of rationalization. Because of the circumstances of the union survey at Marumaru, however, I do not think that a fair comparison can be made between the attitudes of the two sets of workers.

The junior members played so small a part in the union, and heard so little about it, that it would be safe to say that they only thought about it during the bonus negotiations and also, no doubt, when they received their monthly wages and found their union dues deducted. But if a young union member did think of the union at all he would likely associate it in his mind with the company. Its leaders, after all, were the very men the company had set in authority over him; and his own prospects of advancing in the union depended very much on his company career. It was quite logical, therefore, that he should take the same view of the union as he did of the company; if he liked or disliked the one he would like or dislike the other.

It has been recognised for some time in the west that employees tend to be loyal to both company and union at the same time, or else opposed to both; rather than loyal to one and antagonistic to the other. (cf Purcell, 1960) An explanation of this 'dual allegiance' has been that even though company and union were in conflict on certain questions, workers saw both as part of the setting of their working lives. If they were generally contented with things at work, they would approve of both union and company activities; if discontented, they would find fault with both. Kunio (1965, p 115), who has asserted that dual allegiance would be found among workers in a majority of Japanese firms, has noted that in Japan the enterprise union system constitutes an additional reason for its prevalence. In Japan unions are not merely, as in America, a familiar part of the industrial establishment, which workers may extoll or condemn as a whole; Japanese enterprise unions may be indistinguishable from the companies that contain them. Interest or distinterest, affection or antipathy to the one implies the same attitude to the other.

My own observations were corroborated here by a second survey of membership opinion, this time not by the central committee but by the T-

branch. All the members in the factory were asked to put their names, ages and monthly salaries on a piece of paper and write down their opinions of the union and the company. Out of ninety or so members, sixty two replied, but seventeen of these merely wrote their names and salaries.

It was significant that the majority of the replies (37 out of 45 in which any sort of opinion was expressed) concerned themselves entirely with the company and did not mention the union at all. Most of the remarks were familiar, complaints about the labour shortage, the shift system, and the lack of holidays. The young members spoke to the union precisely as if it were the company :

20 years old; five years' service.

> 'More company trips - in spring and summer. A bigger wage and bonuses. Hurry up and build a pool at the hostel. The food for the night shift is poor.'

20 years old; one year's service.

> 'The food for the night shift. Fruit is included now, but it's rotten. If it's not going to be decent, it might as well not be put out at all.'

The older workers who had entered the company in 'mid-career' also addressed the union as if it were the company. Their tone, however, was less peremptory :

54 years old; less than a year's service.

> 'Please give us the time to inspect the machines every day. The printers are particularly bad. And please get some more people. And please pay household heads something they can live on.'

Three other older respondents were not, strictly speaking, employees or union members, but shokutaku, special workers.

65 years old; four years' service.

> 'I would like night work abolished. I only want to work in the day time. I would like a house allowance to be made available. There are other things.'

54 years old; two years' service.

> 'There should be four people in a normal work team. Wages should be raised to 55,000 yen a month. The summer bonus should be 50,000 yen at least.'

65 years old; two years' service.

> 'Please put four people into a group immediately.'

On the other hand, the few respondents who did mention the union, and wrote as if they were writing to a union and not to a management, were nearly all of an age and position to be involved in union organisation. Five of the eight who discussed the union were within a year of twenty seven.

27 years old; 6 years' service.

> 'When I have some problem with the union, I should like all the union people to work as fast as possible on it. I should like them to take the burden off the people who are working. In particular the officials should take the lead even if we haven't mentioned a difficulty. For example, the people on the corrugator. Wages are low, and I'd like them raised.'

A recent mid-career entrant of the same age had most to say :

> 'Company : It would be a good idea if there could be five minutes discussion between the president and all the employees. Note : five minutes a day. As the company grows larger doesn't this become more important?
>
> Union : The fourth article of the second chapter of the union rules says that the union's purpose is to improve and maintain working conditions and raise the workers' economic position through a strong association, based on fraternity and trust and an organization for mutual aid. The union rules are weeping. I should like the union to do far, far more. Please look again at Chapter Two, Article Four. Please. Union condolence money should be increased. It hasn't been raised since 1967. How about doubling the sums? The rate of saving for the strike fund is fifty yen a man each month. It hasn't been changed since 1967 and it seems small. If you doubled it or tripled it, wouldn't it be easier to put up resistance?'

The main theme of this section has been the division among union members, between the leaders, who were associated with junior management, and the young workers, equally detached from company and union. This division was partly due to the difference between the positions of younger and older workers in the labour market and in the firm. But it was also

caused by union organization and the methods of leadership, and could therefore be seen as the result of a deliverate policy.

In discouraging, or more exactly failing to encourage, the participation of young people in the union, its leaders were allowing it to remain weak, that is, incapable of traditional forms of industrial action. For the young people, as we have seen, had of all Marumaru employees the least compunction in making demands of the company; and they also had the least to lose by damaging the company in order to achieve those demands. Roused, the young unionists at Marumaru would have been the strength and sould of a militant union, just as they were in the diecast plant Cole studied; there young, unmarried communists were the pillars of opposition to the management. (Cole, 1971, p.237)

But the Marumaru union leaders had little taste for militance, which would, as I have explained, have jeopardized their places and prospects in the company and the community. Like the union leaders in the second factory Cole worked in, the suburban motor components plant (Cole, 1971, p.261), they preferred to co-operate with the company on the understanding that they and other union members would receive a fair share of the benefits their co-operation brought their employer. It was because they thought that co-operation could best be achieved by an oligarchic and secretive organization that they kept the young people (and indeed even the branch officials) ignorant of what the union was doing; thus weakening the union in order, as they hoped, to increase its influence with management.

In the next section we shall see how well the union fared from its bargain with management. But first, while we are still on the subject of division that did not occur at Marumaru, even though the union might have been thought susceptible to them.

It might have been expected that since the union embraced very different types of worker there would have been rivalry among them for

its control; or else that one group would want to detach itself from the rest of the union in order to further its own specific interests. There have in the past been secessions of white-collar workers from predominately blue-collar unions in Japan. (Levine, 1958, p 91; Cole, 1971, p 228) At Marumaru, however, I found no signs of similar rivalry or schism. Among the present and past officials all sections of the shop floor and office seemed to be represented in proportion to their numbers; and I did not hear of dissension between men of different sections. I remarked earlier how the standard rank and pay systems gave common values to people doing different jobs, and so united the community. A salesman and a corrugator hand who took up union activities might therefore be able to agree without difficulty on their aims and intentions. Moreover, the central executive committee rarely dealt with special problems of the shop floor or office of which its different members might take different views.

The other sort of faction notably absent from Marumaru was the political one of the sort that characterized the union in Cole's (1971, p 234-8) Tokyo diecast factory. The Marumaru union was not entirely devoid of political associations. The only strike in its history had been organized by the communists. The current leaders occasionally expressed themselves in Marxist phraseology. The secretary of the executive committee had a work or two of Lenin in his bookshelf at the union office, and the words of what appeared to be a communist hymn posted upon the wall. And I was told that occasionally branch mass meetings had in the past been held to discuss such political issues as the return of Okinawa to Japan. But the strike was an affair of the remote past, and the slogans merely stock affirmations that the Marumaru union was part of the Japanese labour movement. In fact, however, not only was the union leadership effectively apolitical but it aroused no opposition of a specifically

political form among the membership. The absence of political factions may have been due in part to the preponderance among the employees of men from the country, and especially the prefecture of N-, though, as I have said before, I noticed no obvious differences between the behaviour of rural and urban recruits. The labour department always checked with the police that a high school or graduate applicant was not a member of an extremist organization. But I do not think that these checks, which had only resulted in the rejection of one or two applications, were responsible for the union's membership's unconcern with politics. A man might always acquire political interests after being accepted; and in any case 'mid-career' entrants were rarely vetted. It might even have been that the union leaders had, with their mild cliches, innoculated the membership against more virulent forms of political expression. But at any event, even when very serious problems arose for the union, they did not seem to result in any form of political activity.

b <u>The union and the management</u>

I remarked in the introduction to this chapter that the management, like the union, was not a unitary body, but was comprised of different categories of people. From the union's point of view, management was divided into two.

There were the managers with whom the union leaders dealt; the factory managers and their subordinates in the standard ranks, and, at the main office, the management team at the central friendly talks, which consisted of the director in charge of the labour department, the labour department head, a pot-pourri of heads of other departments and perhaps a junior director or two. With these managers the union leaders were on familiar and friendly terms, for, as I have said before, the senior union men had much in common with their immediate superiors in the standard ranks. The secretary of the union would frequently

play mahjong at the house of the labour department head. Again, every so often the union and management participants in the Yokohama factory friendly talks would all go together to a restaurant. There the factory manager, a past union leader, would give the union a little advice about improving its contacts with its membership, and avoiding as it had done so well up to then, the absurd antagonism towards management that debilitated other companies. The union leaders would listen with mixed feelings, happy at being praised for their co-operation, but wary of the condescension.

These lower managers, as the union well realised, had very little power or influence. Authority at Marumaru was retained by the second type of manager, the president and his senior co-directors. These upper managers remained almost entirely aloof from the union and its representatives. The president met the Three Officers once during my time at Marumaru, and that occasion was the first such meeting for several years. The vice presidents were almost as remote, not, of course, in any physical sense, for their office was only two doors away from the room in which the central friendly talks took place, but in their unwillingness to meet the union representatives on business.

Transactions between union and management were conducted, therefore, by an oligarchy on the one side and by relatively uninfluential deputies on the other. To show how they proceeded I am going to describe how two of the problems that arose between union and management in 1970 were solved. The first of these problems was that caused by the company's introduction of a new system of shift work at one of its factories; the second, that of fixing the annual bonus at collective bargaining sessions.

Though I was in the company when the discussions over the shift work were taking place, I did not attend them (they took place many hundreds of miles away from Tokyo.) I was given the minutes of the

central and factory friendly talks concerned with the problem, so that I was able to infer from them what had taken place between each semi-public meeting. More important, I was able to interview many of the people involved in the problem, from the president to shop floor workers. Before and during the executive bargaining sessions, I attended dozens of union meetings, and in particular meetings of the union executive committee. Though I was not allowed to be at the sessions themselves, I was, once again, furnished with the minutes.

A The problem of the continuous work shifts

Work in the factories at Marumaru went on day and night each working day. Workers were divided into three groups, each group taking one of three shifts for a week, and then moving to another shift in the following week. Sundays and national holidays were days of rest.

At some time before May, 1970 the factory management at the N-factory told the local union branch that it wished to instal a second corrugator. It had long been considered that a second corrugator would eventually be needed at N-, because demand was increasing and a small processing branch factory had been built to turn corrugated sheets from the main factory into boxes. It had earlier been assumed, however, that the factory could manage with one corrugator until 1971.

The company had a permanent agreement with the union which permitted management to organize continuous work shifts, with work going on even on Sundays and holidays, while a second corrugator was being put into any factory. The extra production gained from working on Sundays would make up for any loss incurred during the installation of the second corrugator, and at the same time enable the factory to

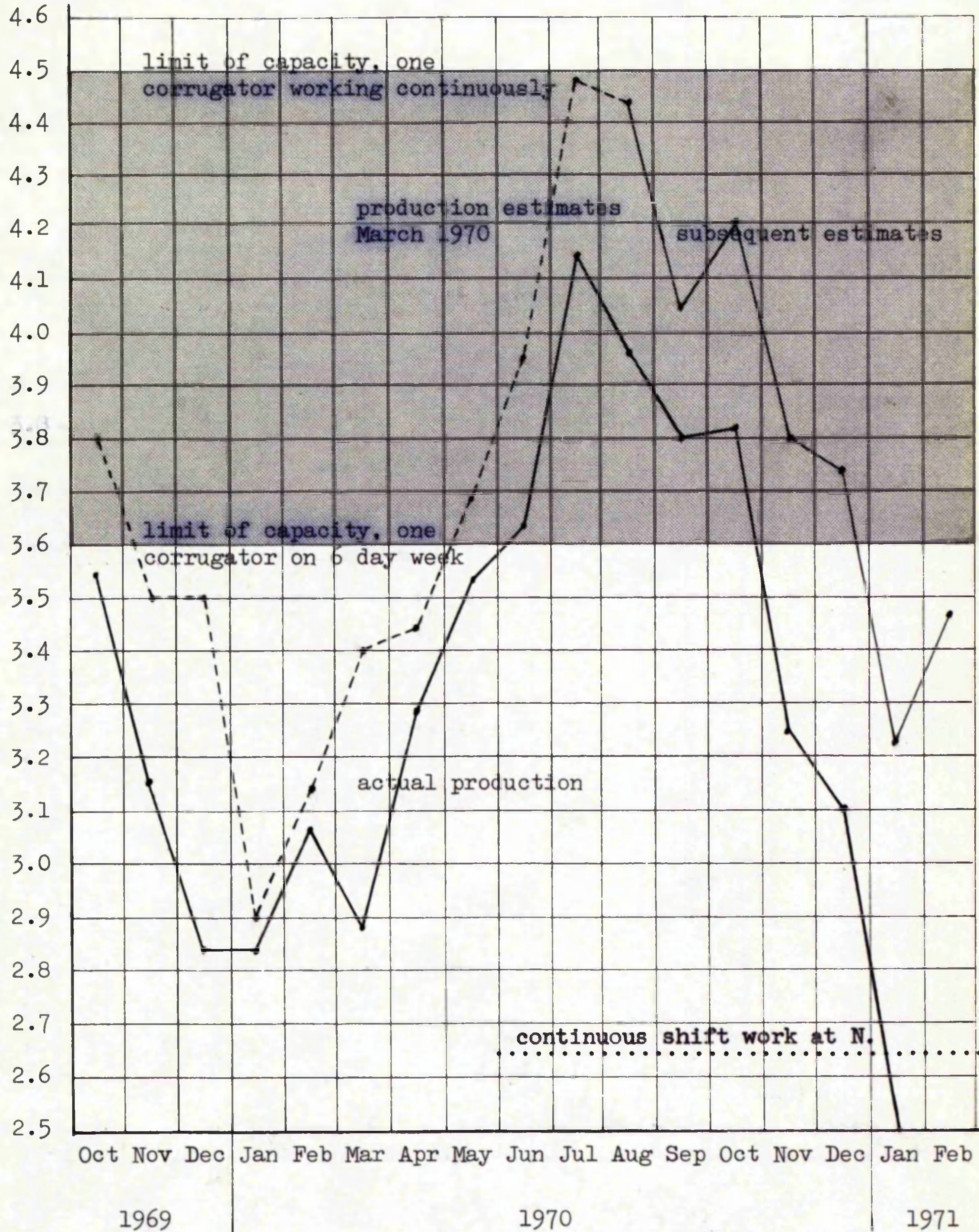
meet increasing demand until the new machine became available. The N- union branch therefore automatically agreed to the company's request for shift work. By the terms of an announcement made in early May, the management received permission to operate the existing corrugator continuously from May until the end of August, by which time the second corrugator was supposed to be running.

Now a corrugator is a very large machine with a variety of components and auxilliary machines which have to be specially ordered to fit the needs of the factory. Ordering a corrugator, building it, transporting it to the factory and assembling it there, having re-arranged the other machines to make room for it, would take a long time - between five and eight months. If, therefore, the company had only decided to order the corrugator in May, there would have been little chance of it being in service in August. This the union, or at least the Three Officers of the central executive committee, knew very well. In making the agreement with the company, or allowing the N- branch to do so, they were, for Marumaru's sake, misleading their own members as to the length of time they would have to do continuous shifts.

But the union leaders had themselves been deceived in turn, for no corrugator had been ordered, or was to be ordered that year. The N- factory differed from the other large Marumaru plants in that the board and boxes it produced were used to pack not manufactured goods but food. Demand therefore varied greatly with time of year. The demand in December and January was well within the capacity of a single corrugator working a six day week; it was only in the summer months that demand was beginning to exceed that capacity. The problem of meeting demand at N- was not necessarily to be solved simply by putting in a new corrugator. For even if a new machine made it possible to produce enough board in summer, the factory would

find itself with two large and expensive machines doing the work of one during the winter months. <u>Until the demand in summer outgrew the capacity even of a machine working continuously</u>, it would be better to use one machine only and work it full time in the summer and less intensively in the winter. The main disadvantages of this solution would be the discomfiture of the work force and the considerable difficulties over the upkeep and repair of the machines.

FIG.VII : 3 Production and Estimates at N- factory



It was very possible that the upper management had never thought seriously of putting in a corrugator in 1970 at all. None of the monthly production target figures set in March 1970 for the rest of the company year (ending in August) exceeded 4.5 million quare metres, the production capcity of a single corrugator working continuously. It would also have been recognised, even in March, that the winter demand for board would be well within the capacity of even a single corrugator working normally. If a second corrugator had been installed in 1970 enormous production capacity would have remained unused even at moments of peak demand. At the K-factory, which had two machines working only two shifts a day, more than five million square metres of board could be produced with ease each month, much more than the company hoped it could sell at N-, and very much more than it actually did sell. All these were arguments against the installation of a new machine at any time in 1970, but there was an even more powerful argument against the installation of a machine in late August or September. If a machine were to be put in production in the autumn, it would be too late to help in the summer peak period, and it would probably lie idle until the late spring of 1971.

Even if the upper management had, at it was later to claim, thought of putting in a corrugator in 1970 and then changed its mind, it should have informed the union of its decision and returned the factory to normal working. In fact no announcement was made, and the work force went on to continuous shifts without either the union or even the lower management realizing that no corrugator was coming.

After about a month, in early June, when still no building or rearrangement of machinery was taking place, rumours that there would be no corrugator began to be heard. At this point the N- factory manager was transferred and a new man came in from another plant. The new manager told me that he himself knew, on his appointment, that no

new corrugator was to be put in in 1970, but he had not realised that his subordinates and the union branch had not been told. It was only on 29th June, when the factory had been on two months of continuous work, that an official announcement was made at the factory friendly talks :

> 'Company. Originally we were thinking of putting in a corrugator, but we looked into it, but because the factory wasn't ready for it and we hadn't reached a level of production at which a new corrugator would be needed, it was decided to try and get production up to the point where we can put in a corrugator. It isn't that we aren't going to put one in, simply that we've postponed it.'

The union, its fears confirmed, took what appeared in the management's transcript to be an attitude of pained displeasure. (The minutes taken of the central friendly talks I attended gave an impression of dignity and rationality not always present in the proceedings.)

> 'Union. Don't you think we should have heard this explanation a little earlier? We had an agreement that the 4-group 3 shift system should go on till the end of August. Even now your explanation doesn't explain anything, and we have the feeling we have been tricked.'

> 'Company. It's a matter of business. We have to change to fit the conditions. There may have been a problem in letting you know sooner or later. But not only did the company announce the plan; it also gave it careful consideration. There's absolutely no question of trickery. It's a matter of having production match sales, and it's all we people in the factory who have to decide when to put the corrugator in. (Korugēto o tsukeru jiki o kettei suru no wa wareware kōjō zenin de aru.)

The union would, of course, have been perfectly justified in demanding a return to normal shift work, with holidays on Sundays, but in fact it asked for something much more moderate :

> 'Union. If we continue there will be resentment at not being able to rest on Sundays, and at having to do overtime to help out the processing side.* It's not desirable

* Because the corrugator was working continuously a far greater area of board had to be processed on the printing, cutting and stitching machines, and the workers on these machines had to do more overtime than usual.

from the point of view of safety; and there are also complaints from the corrugator teams. We would like the system ended by December.

Despite the alleged trickery, then, the union was prepared to allow the company to go on with continuous work five more months than had originally been agreed.

> 'Company. We will not abolish it. We can't predict what conditions will be like then.'

> 'Union. We are going on till August, so you have two months to think about it. It would be a good idea if you were to look at the problem from every point of view, and it would be a good idea to discuss it with us.'

> 'Company. This is a matter concerned with the form in which operations are to be carried out (gyōmu suikojō toru sagyō keitai de atte) and it is not a matter we have to consult (you) about. But it is possible that by changing the shift cycle the number of Sundays on which men can rest can be increased, and we'll discuss the means to this. We have already received our norm under the 1970-1 company year plan, and we have to go on with the four group three shift system. If you don't accept this and even after August we are going to have to go into the question of whether we are going to continue with the sytem or not, then we simply can't run the factory.'

According to the local branch leaders at N-, with whom I subsequently had long talks, the branch would have wanted the continuous work shifts stopped immediately, but its views were overridden by the Three Officers of the central executive committee. The division between the branch leadership and the Three Officers became more marked as summer progressed, putting the Chairman of the committee, an employee at N-, in an unpleasant position.

Neither before nor during the July factory friendly talks was any progress made. The branch leaders continued to accuse the management of a breach of faith, and to complain about the effects of continuous working; the management to defend what it considered its prerogatives, and to call for union co-operation in working continuous shifts, without, however, giving any indication of when a corrugator might be put in.

> Company. From now on we have to increase our earnings with our present numbers, equipment and running costs and work flat out to install the corrugator. On that basis, if there are any reasonable changes in working conditions to be made, we'll give you our fullest co-operation; but we can't fail to do our job of management. In July we have been achieving unprecedented production, and it's a good step towards the installation of a corrugator. Sales have also been increasing. We should like you to explain this to your members and get them to accept the situation.
>
> 'Union. We have fully explained all this to our members. We have exactly the same views as you when it comes to expanding production. Only we don't see the point of the system. It's exhausting physically, and it's becoming a prime reason for the loss of labour. It's got so that you can do nothing on holidays except sleep. We are going to refer this to the central committee. We don't think we will get anything done at this level no matter how much we talk.'
>
> 'Company. We can't abandon the four group three shift system. What we have to do is look for ways to improve the conditions and try to eliminate any immediate problems. We would like everyone in the branch to understand the situation.'

It was, of course, a normal method of bargaining for the union to assert that there were all sorts of discontents among the membership which only a settlement convenient to the union could allay. The corrugator workers had been divided, as the quotations above implied, into four groups, of which one rested on any day while the other three were assigned to one of the three shifts. The work cycle for any group was :

5 days midnight shift;	one day off
5 days evening shift;	one day off
6 days day shift;	two days off

In a hundred and forty days, therefore, a worker on the four-group three shift system (I shall call it the 4-3 system from now on) received twenty eight days off, instead of the twenty five he had received under normal shift working. The extra three days holiday in a hundred and forty were not considered sufficient compensation for the loss of Sunday rest. Even when I visited the factory, months later, workers complained that under the 4-3 system they rarely saw their children, but it could not have been said that there was serious unrest on the

shop floor. The leaving rate was only fractionally higher than in the previous year, and below that at Yokohama and at the T- factory. In July, the first month after the announcement that the corrugator was not coming yet, six young shop floor workers left N-; but no young men at all left in August or September, and only one in October. In other factories, changes for the worse in working conditions had resulted in large increases in the leaving rate, so the fact that the leaving rate remained normal, at ten per cent of the male work force, can be taken as evidence of the work-force's acceptance of the new regime.

If it was merely tolerable at this stage, the 4-3 system actually became popular with shop floor workers later on, when the company increased the number of rest days in the cycle. Then the union branch, far from receiving even lukewarm support from the membership, found itself campaigning, on a point of principle, for the withdrawal of a scheme that its members had come to like. The branch leaders admitted to me that there might be considerable discontent when, eventually, the factory returned to normal shift work.

As for the management's part in the discussions quoted above, it must be remembered that no one on the management side of the talks had actually been responsible for any decision to install or delay the installation of a corrugator. The factory manager had not even been in the factory in May, when the issue had arisen; and in any case such a decision was too important to be left in the hands of a factory manager. The more junior managers were not only guiltless of inconveniencing the union, but had as much reason as the union to think of themselves as injured parties. The production sub-heads and section heads had to supervise and regulate the continuous shifts; and they, like the union members, had been ill-informed by their superiors. Though the official minutes of the friendly talks show the middle

managers as intransigent and unsympathetic, as they insist, for example, that a new scheme of shift work was of no concern to the union, the truth was that these managers were embarrassed at having to defend what most of them were prepared to admit was an error of upper management. In other factories and at the main office, too, middle managers remarked at how the N- factory management had had to sort out the mess caused by mistakes made 'above'. Far from being the union's enemies, the N- factory managers were as anxious as the union to end a confusion and disarray that was not of their making. The form the final solution of the 4-3 problem took was evidence of how strongly the factory management at N- campaigned, more or less in alliance with the union, for an end to continuous shifts.

The first indication that the N- Branch had referred the problem to the central executive committee came a fortnight after the July factory friendly meeting at N-, when the secretary issued the following bulletin :

> 'To protect the workers' fundamental rights!
>
> For us, a place where it is pleasant to work, a happy work place, an attractive work place are, from the point of view of the balance between labour and management, fundamental human rights of the worker which we must protect. They are things that have been absolutely established by law and contract, and moreover confirmed in the customary dealings between labour mand management. But we are more than wage labourers; we live by offering labour as cogs in an enterprise, and in accordance with the labour we offer we should receive a fair deal in the form of working conditions of equivalent value. The compensation for the labour we offer naturally includes matters of working conditions. According to the Labour Standards Law certain items are clearly stated as working conditions in a broad sense, the factory's operational equipment, equipment which influences working efficiency and the maintenance of working capacity, factory discipline, which is closely associated with the treatment of the workers, and so on. But are these things being clearly carried out in all the factories? And if they are, are they not being done bureaucratically? Isn't it an administration that alienates workers? Is the will to work encouraged by warm leadership? We feel doubts about these and other matters. We continue to have the same feelings as when we entered the company, for people don't enter the company with the intention of leaving, so those who do leave are driven out. And what are the

> complicated reasons that cause them to leave? How did the phenomenon come about? They have to be thought out carefully. But to take as an example the four-group three-shift system at N- factory, aren't the directors (<u>keieisha</u>) making the workers work simply as a means of getting profit; how did they deal with things apart from profit, the dissatisfactions of the workers with the workplace and their superiors (<u>shiyōsha</u>), resulting from the agreement to go on 4-3 shifts until the installation of a corrugator in August, and the imbalance in the corrugating division resulting from the irregular 4-3 system, and the carry over to the processing division (working on holidays)? They only make their business plans on the spur of the moment, and there's considerable distrust of their not keeping their promises. From now on, as a union, we have to think of when it will be introduced in all the factories, and we have to think deeply, from the foundations, of the nature of the relation between management and labour, together with emphasising respect for the workers.'

The ordinary member who read this notice through, even if he knew what a four-group three-shift system was, which few workers did, would have been left with a confused and false impression of what was happening at the N- factory. The essential fact, that the company had entered into an agreement on a certain condition, and had not fulfilled that condition, was only obliquely referred to, but not explained. The muddled account that was given of the problem appeared to suggest that the matter was already in the past, that there was nothing more to be done for N-, and that all the union could do was prevent the 4-3 system from being introduced elsewhere. No mention at all was made of the likelihood that the shift system would continue beyond August, the point at issue for the N- branch leadership. It was not at all surprising, therefore, that the majority of union members in the Yokohama branch had only the vaguest idea of the 4-3 shift problem, and of its relevance to their own lives. Among managers, however, the affair was extensively discussed, and it was generally agreed that 'the company' had made a mistake in trying to introduce the 4-3 system in the way it had.

At the end of the message, the secretary noted the time and place of the next central friendly talks, and added dates on which the

Three Officers would be visiting each of the factories, presumably to discuss the 4-3 shift problem along with other matters. These visits, however, were set for late September, and by that time the 4-3 shift problem had officially been resolved.

Indeed, the problem was unofficially resolved within the next few weeks, as a result of discussions between the Three Officers and the main office labour department. A simple bargain was struck. The company would improve the work cycle, and add another day's rest :

five days midnight shift;	two days rest
five days evening shift;	two days rest
five days day shift;	one day's rest

The new cycle, which was identical with those under which continuous shift work was done in other industries, gave workers thirty five days off in one hundred and forty, instead of twenty eight on the previous cycle and twenty five on normal shifts. In return for this extra three weeks holiday a year, the company would be allowed to run the 4-3 system ostensibly 'on a temporary basis' after the end of August but in reality until a new corrugator was put in, in 1971 - that is, at the time originally planned.

This compromise had been reached as a result of secret bargaining, but before any announcement could be made there had to be at least a pretence at public discussion of the issue at the August central friendly talks. These took place not in the head office as usual, but at the N- factory, and the N- branch leaders were allowed to be present as observers.

The head of the labour department began, according to the company's minutes, by recounting how the company had gradually introduced first a two and then a three shift system; the 4-3 system was a logical development. The introduction of a continuous work plan was not just a concern of the factory where they all were, but was of importance to the company as a whole.

> Company. Running the 4-3 system does not permit days off to fall on Sundays and national holidays. For this reason we have increased the number of holidays by one day a month. We should like the union to consider this, something it has not done as a union up to now... We have heard your demand that the system be ended. We started it as a precondition to the installation of a corrugator at N-, and we have to go on and solve the problem. From now on we would like to start running the 4-3 system at other factories too, and we should like your co-operation in this.'

This remark, made four months after the 4-3 system had first been put into operation, was the first indication that N- was indeed a test case, as the union had previously suspected.

> 'Union. We presumed before that you were putting in a machine and, suppressing the protests of our members, we entered into an agreement. But we can't go on co-operating with the 4-3 system unless a corrugator is put in, so we want to stop on August 31st. There had been discussions about 4-3 working continuing from June to December, but at the union general meeting it was decided that we should stop 4-3 working at the time originally agreed upon. As for holidays, it is important that people should rest on Sundays so that they should be with their family and friends. From the human point of view, we very much oppose the system. Because of transfers and so on the ranks of the technical staff are getting thinner, and more people are leaving, so that work is becoming harder for those who stay. Absenteeism is also increasing. It's a vicious circle, and we'd like you to think about ending it as soon as possible.

The company denied that the leaving rate had anything to do with the 4-3 system, adding that it eventually wished to reduce the working week to forty hours. The union returned to the subject of the betrayal. Its members felt cheated, and could not co-operate beyond August. The labour director gave a short account of the economic and administrative difficulties of fitting production to demand at N-. The union fully understood these problems, but would have wanted the explanation they had just heard to have been made months before. There then followed a surprising speech from a member of the local union branch, who had up to now been passively observing the discussion.

> Union. We asked you to listen to the raw complaints of the N- branch. The union central committee then got caught up in this problem, and we waited for (its) discussions with the main office. But as far as we

understand what has just been said, the young people think first of themselves while the central committee thinks first of the company, and we have to get the central committee to understand the ideas and attitudes of the young people. An extra day off has been announced. If we accept this we do so on the understanding that the problem is only going to last a short time. In fact, if we can't get you to talk about ordering a corrugator immediately, we can't agree. Our members won't allow you to postpone matters until you've seen what conditions are like in six months time. We would like a statement of your aims soon. If you don't give us a time period there's no room for thinking about it.

According to the N- branch leaders when I met them later, relations between branch and centre were so strained in the summer of 1970 that there was talk of secession from the union. We shall see that there was a similar thought of a branch's secession when the union next came under pressure, during the bonus negotiations. In neither case, however, was there much possibility that the branch could have declared its independence. The N- branch on this occasion had only limited support from its membership, and few union members in other branches knew enough about the problem to offer sympathy or support.

After the outburst the meeting was brought hastily to an end - at least according to the minutes - when the company decided to curtail its recapitulatory arguments and instead to produce a corrugator.

'Company (N- Factory Manager). We've been listening to what union members have to say about this problem. I came in June to take up a position in which I had to carry out a new policy. In sales, too, we've steadily increased our performance. We've made a start and we can't go back. I would like to go on with 4-3 shift work and put in a second machine. I discussed things with the directors in July; if a date for the installation is announced, we'll think again... If the union has a plan, please discuss it with the director in charge of labour relations.'

'Company (Labour Director). We heard in July what the factory manager had to say. We've considered the estimates for the forthcoming company year and the point at which we shall reach the 5 million square metres a month mark will be August, 1971. Since we have to have two corrugators (by then) we have ordered one. But it's not a machine you can get hold of right away. We're ordering it so that it will be ready by June and running in July. The production department is at present negotiating to get it earlier.

<u>Company (Production Dept. Head)</u>. We have already begun planning the building and the ancilliary equipment.

<u>Union</u>. We understand. We should like to think about it, and then talk to the labour department about it tomorrow.

<u>Company (Labour Department Head)</u>. We have made a start, and to keep up production we have to go on with the 4-3 shift system. We should like you to recognise that the system is a means of shortening working hours and that it will allow us to progress to a forty hour week, and so allow us to continue working it.

With these remarks the 4-3 shift problem officially came to an end. The secretary issued a bulletin which explained the workings of the system; the workers at N- gladly received their extra days holiday; and the subject did not come up again at the central friendly talks. Only the N-branch leadership remained dissatisfied. At the September N- factory friendly talks, the union asked for a return to the six day week and were refused in a few words.

Though the N- branch officials were still disgruntled and still on poor terms with the Three Officers, when I visited N- six months later they recognized that there was nothing more to be done. Even though 4-3 working had gone on far longer than they had originally anticipated, it was shortly to end. They knew that their subordinates in both the union and company were positively in favour of 4-3 work because of the longer holidays they were receiving. And in any case the N- branch officials, for all their opposition to the company on this occasion, were far from being dissidents without a permanent place in Marumaru. All of them were in their late twenties or early thirties, and most of them were team leaders or held the equivalent grade. The chairman was a man of thirty with six years service, who had two brothers in the standard ranks in other factories. His views on the need to co-operate with the company were not very different from those of the Three Officers; the real difference between central and branch leadership in the 4-3 shift affair had been in constitutional position and responsibility,

not in ideology.

It was proof of how little the upper manangement had understood the union that it had chosen to resort to such devious means to establish the 4-3 system. A union that was so willing to sacrifice its members' interests to the company as to agree to an August deadline that would have to be postponed would probably have accepted 4-3 working without a corrugator in return for more time off. It was the fault of the upper management that the final bargain was not achieved immediately and without acrimony. As it was, the management gained a very convenient year of special shift work at N-, but only at the cost of a disturbance which prejudiced any chance of introducing the 4-3 system at other factories.

When I spoke to the president in early 1971, he professed disappointment that the workers had rejected 4-3 shift working, which brought advantages to themselves as well as the company, and implied that he had given up plans to work other factories continuously. Later that year the T- factory reached a position where 4-3 shift working on on the processing machines would have been economically desirable, but the system was not adopted specifically - so a manager at T- told me - because of the trouble there had been at N-. It therefore seemed as though the union, despite losing the battle at N-, had prevented 4-3 working from being used elsewhere, and so could have been said to have won the war; though whether the victory was to the advantage of rank and file union members was another question.

The significance of the story of the 4-3 shift work problem is that it reveals not only the strength but also the source of the union's influence. The rank and file union members at the N- factory, it should be remembered, were never implacably hostile to the 4-3 system. At the beginning, in May, they thought that it was merely a temporary scheme; though later they were chagrinned at the company's deception, they

nevertheless appreciated the extra time off they received. The rank and file members of the union in other factories never had a chance during the acute stage of the problem, to learn what was the matter at N-. Clearly, then, the union did not derive its power from the will to action of its ordinary members, but from the influence with upper management of the union's only allies on this occasion, the middle and lower managers. These middle and lower managers had no particular reason to dislike the 4-3 system itself, but they were certainly sensitive to the justifiable resentment aroused among their friends and subordinates by the way in which the upper management had introduced continuous shift working.

During the 4-3 shift affair I was far from the scene of action, but later on I was to see for myself an alliance of middle management and union leadership against a proposal of the upper management, this time the rather trivial proposal to give 'English' names to those in the standard ranks. Though there were, as I have explained earlier, some sound reasons for adopting the names, they were never fully explained either to managers or to unionists. At a Yokohama factory's friendly talks I attended, both union and management found themselves agreeing on the absurdity of the new names and the lack of any need to replace the old ones by them. The names were officially adopted, but at Yokohama, at least, they were scarcely ever used.

If the understanding between union leaders and junior managers made the union leaders the custodians of the company's internal harmony, it was also true that the management became responsible for the maintenance of peace and harmony within the union. The rebellion of the N- branch leaders, all of them loyal company employees, offered a strong moral argument to the Three Officers, who were trying to persuade the company to withdraw the system and so restore peace. A rift in the union leadership, which would have seriously weakened a union

intent on physical action, was actually to the advantage of one that depended for its influence with management on goodwill, sympathy and moral pressure.

On another occasion, too, during my stay there was a disagreement between the Three Officers and the branches, this time not the local branch officials but the factory branch representatives on the union executive committee. It occurred during the 1970 bonus negotiations; and I myself was able to observe something of the circumstances in which it took place.

B <u>The collective bargaining, 1970</u>

Just when the affair of the 4-3 system was becoming a serious point of issue, the company and the union began their earliest preparations for the annual collective bargainin sessions. At the July friendly talks, four months before the sessions were due to take place, the company asked the union for an explanation of the policies decided upon at the union general meeting, to see if there were any demands that could be readily agreed to before the union decided on its formal requests and demands at the end of the year.

The general meeting had issued a manifesto containing the following points :

1 Wage negotiations should be held in spring, not winter.

2 There should be a second, subsidiary set of negotiations before the second part of the bonus was paid out, in the summer.

3 The minimum separation allowance after twenty years' service should be raised. (It was then 1 m yen.) Women who had completed five years' service should be given separation allowances at a higher rate.

4 There should be a reduction in working hours to bring Marumaru in line with other companies.

5 The overtime rate should be raised from 125% to 135% of the monthly rate. Sunday and midnight shift allowances should be increased by half.

6 Compensation for the death of an employee on duty should rise from one to three million yen.

7 The union would like to co-operate with management, as it did over safety, to establish a policy to stop so many people leaving.

8 Company houses should be provided for all.

9 Those working at a certain remote factory should be given an allowance to compensate them for having to work in so inconvenient a place.

10 Those who worked instead of taking their allotted annual holidays should be rewarded.

11 The system of probation for young workers should be abolshed.

12 A clothes allowance should be paid to the sales staff.

13 A larger bonus should be paid to non-standard and temporary workers.

14 When transferring people, the company should pay attention to whether the people themselves wanted to be transferred.

The union had hoped for a reply to these suggestions at the September central friendly talks, but the management was too busy, or perhaps too wise. Meanwhile, the 4-3 shift system affair had made the union leaders angry and distrustful. When, at the November friendly meeting, the company announced that it had completed its study of the proposals, the chairman of the executive committee criticised the management for having taken so much time and thereby shown that it despised the elected representatives of the workers. The head of the labour department pointed out that the union had made a number of proposals and studying them carefully took a lot of time. There was no question of despising the union. The company was aware that it represented the workers. The chairman of the executive committee replied that he personally knew that the company did not despise the union, but there was no doubt that ordinary union members would think

that it did. The management team, who seemd to me a little embarrassed by the union's accusation, then made their comments on the points of the manifesto.

The first and second proposals, for bargaining in the spring, and secondary negotiations in summer, were rejected. On the raising of the separation allowance (3), the overtime and special payments (5), and the death compensation (6) the company agreed that Marumaru had indeed fallen behind other companies and that these payments should be increased. The idea of paying a higher scale separation allowance to women after five years' service (3) was not acceptable. The company also refused to shorten the working day (4). The seventh suggestion, that the company and union should join to establish a policy to encourage people not to leave, was replied to only indirectly. Marumaru would overcome the labour shortage by putting more effort into recruiting, and by training those in the company already. The provision of company houses (8) would take time, but everyone in the new factories was going into a company house or flat.

The union had suggested (9, 12) that the company pay special allowances to sales staff and to the workers at a remote factory. Such payments would have meant changing the principles on which wages were paid. The management would be grateful if the union were not to include demands for these allowances on its list of matter to be negotiated.

The system of probation would be dropped (11). The system was, though the management did not say so, very disadvantageous to Marumaru, because it was resented by new workers and encouraged them to leave. In agreeing to end the system the management pointed out how important it was to keep undesirable people, particularly political extremists, out of Marumaru. The exchange on the subject at the friendly talks, unfortunately not full recorded in a rather poor transcript, revealed

how little the company understood what the union recognised, that labour shortage had made recruitment of high school leavers a matter of imploring people to come rather than of selecting and rejecting candidates.

The company made no specific comments on the remainder of the proposals. The labour department was still thinking about the idea of rewarding those who did not take the holidays they were entitled to. (10) The bonuses of the special and temporary workers (13) would be dealt with automatically in the course of the bonus negotiations. There was no reference at all to the union's last point, about asking people if they wanted to be transferred.

For some weeks before the November friendly talks, the last of their kind before the negotiations themselves, the union had been thinking about what rises and benefits to ask for. Four or five weeks earlier the union secretary had made a provisional list of demands, and had spent a week touring the factories to find out what the branch officials thought of them. His recommendations were rather vague: a wage rise of between 12,000 and 15,000 yen a month, a bonus totalling about 300,000 yen for the year; a larger separation allowance, and a rise in overtime payments. He committed himself to nothing, and was careful to pose as a gatherer of opinions. Neither at the main office nor the Yokohama factory - the two places at which I attended his meeting with the branch leaders - was there any opposition to his suggestions, nor did anyone seem to have alternative plans of their own, except that at the main office meeting a girl suggested that the union pay more attention to women. At the end of both meetings the secretary said that the demands to be made of the company would be roughly those he had suggested; but seven other union branches had to be consulted, and then the executive committee might want to alter the provisional list he had made.

When the secretary returned from his tour of the factories he spent a week in Yokohama planning the demands. During the week he visited the labour department at the main office two or three times and discussed the coming talks with the labour department head. The secretary was very reluctant to tell me what kind of things he had talked about, though he said that usually he knew from these preliminary discussions what the company was prepared to offer, and that this time he was disconcernted by what he had been told. Much later I asked the labour department head what offers the company had made at these private talks. He replied that the company had notified the Three Officers that the wage rise would be 10,000 yen a month, and the bonus 5.5 months of the 1970 salary.

On the day after the Novemb-er friendly meeting with the company, the union executive committee met to draw up the list of demands. Unfortunately I was not allowed to attend - this was the only occasion during the wage and bonus negotiations on which the union asked me not to come to an event - so that I had to reconstruct what had happened from interviews. The Three Officers must, at this point, have been in an embarrassing position. The secretary had earlier encouraged the branch leaders to think of asking for 12,000-15,000 yen a month in salary and the equivalent of seven months bonus. Now that the company had notified the Three Officers that both wage and bonus would be smaller, should the Three Officers tell their colleagues on the committee? If they did so, and then asked the factory members to agree to lower demands so that the negotiations could be ended more quickly, there might be great dissatisfaction. If they did not tell the factory representatives, and did not prevent their opting for large

demands, then the negotiations might drag on for a long time.* There was a third choice. The Three Officers could have told their juniors on the committee what the company had offered, and then joined with them in making greater demands. Such a course would, however, have meant breaking the company's confidence and causing serious antagonism between management and union.

The Three Officers chose not to tell the rest of the committee what they had learned from the company, and they did not discourage the factory representatives from voting to make large demands. The advantages of this were that the ostensible unity of the executive committee was maintained; and also that the company might possibly decide to yield a little in response to a large demand. The disadvantage was the accentuation of the constitutional divisions within the executive committee between the Three Officers and the rest. For now the Three Officers had, besides the task of negotiating or perhaps pretending to negotiate with the company, the more important one of guiding their ignorant colleagues, and through them the branch leaders to whom they were responsible, to a resigned acceptance of less than they had been given to hope for.

* At Cole's motor components factory the union leaders, who like those at Marumaru were allowing themselves to be guided by the management on the size of the bonus, were wise enough to suggest to their members that the union demand would be smaller than it actually was. When a larger demand was finally made, it appeared that the union was being militant. Even though the device fooled no one, it offered leaders and members alike an excuse for satisfaction with the eventual offer. (Cole, 1971, pp 244-50)

The official demands were :

1 A rise of 14,000 yen in the monthly salary for 1971.

2 A bonus of 7-5 months of salary at the 1970 rates - the previous bonus having been 5.5 months of the 1969 salary.

3 A 25% increase in retirement allowances, and minimum allowances of two million yen after twenty years service and three million after thirty years. Women should receive large allowances after five years' work.

4 A reduction in working hours.

5 An increase in overtime rates from 125% to 135% of the normal hourly rate; and a fifty per cent. increase in the Sunday and midnight work allowances.

6 An increase in the compensation for death from one to three million yen.

It was unprecedented for the union to ask for so many separate items, and the committee had done so because it felt that the company had been slow in dealing with the proposals first put before the management in July. The two main itemswere, as always, the monthly rise and the bonus. The factory representatives on the committee supposed, at this stage, that they would receive about 12,000 yen in monthly pay and six or six and a half months of bonus.

If they were expressed as percentages, the union's demands appeared very large. It was asking for asalary rise of 33% and a 60% increase in the bonus. But the absolute sums were much the same as those demanded by unions in other companies. I have remarked before on the problem of comparing wages in different firms. At Marumaru both company and union accepted that the comparison should be between men of similar age and experience, and not between men doing similar jobs. Though companies published their average wages and bonuses it was impossible to tell from the crude figures whether a man of given age and experience would be better off in Marumaru than elsewhere. If wages were difficult to compare, wage rises were on degree more so, for two companies paying out the same average rise might distribute

the money in different ways to different grades of employee. So far as it was possible to judge, the Marumaru union's demands were a little above the average for all corrugated board companies, but rather lower than the demands made by unions in other companies of similar size.

Up till now I have been using the words 'ask', 'demand' and 'request' without distinction, but in fact there were limits to what the union could demand. Before the introduction of the grade system, the union had made annual demands (yōkyū) of the company, and these demands had included both the bonus and the wage rise. When, in 1965, the grade system was introduced, the executive committee of the union agreed to leave the wage rise out of the list of demands. In return, the company promised to raise the salaries automatically each year by the percentage rise in the official price index; and in that first year the rise was 2,000 yen a month. Later in the year the delegates to the union general meeting severely criticised the committee for surrendering the union's rights. Though the company refused to allow the union to return to the previous position and demand wage rises, it contrived a compromise by which the union was permitted to request (yōbo) salary rises, but to demand other forms of increase in benefits. The demands were to be negotiated at collective bargaining sessions; but the company did not consider itself under any obligation to negotiate the requested salary rises, though they might be discussed informally by the labour department and the Three Officers of the union.

The discussion of the requests was of crucial importance in the collective bargaining over the demands. The demands for higher bonuses and the requests for more wages were put to the company at the same time and, indeed, in the same letter. The collective bargaining sessions and the informal talks about the requests were held over the same three or four weeks, the informal talks taking place between the

rounds of the formal bargaining sessions. Moreover, the men who took part in the informal talks, the director in charge of labour relations, the labour department head and the Three Officers, were the leaders of the two sides in the collective bargaining. It can be imagined how easily, therefore, the informal talks came to outweigh the formal bargaining in importance. The office discussions, supposed to be restricted to the subject of wages, were extended to include the demands as well. It was in private that the concessions were proposed and the gains tentatively agreed upon. The collective bargaining sessions were devoted to the repetition of appeals to reason, compassion and morality, punctuated by the occasional announcement of concessions.

The scheme reduced further the very little influence of the factory representatives on the union executive committee, who were unable to attend the informal talks. The Three Officers did everything. They led the public debate, and they made in private the half-promises from which a settlement would come. Ever conscious of the demands of their members, and of the embarrassment of explaining to a factory general meeting why they had failed to secure reasonable terms, the factory representatives would become more and more uneasy during the course of the collective bargaining, as they waited for the Three Officers to conclude an agreement that seemed ever more likely to be unacceptable to their constituents.

In 1970, then, there was a request for a rise of 14,000 yen. The demands were for a bonus of 7.5 months, and for the increases in fringe benefits and the reduction in working hours. After they had drafted the official letter to the president the committee members returned home, leaving the secretary to make the final preparations for the talks.

In the next week, the secretary published two notices. The

first was a simple statement of what the union was demanding and requesting, together with a few words of justification. The second was entitled, 'Preparation for the Collective Bargaining'. In this the union members were told that the reason why so many demands had been made was that there was much unfinished business left over from the friendly talks; and there had been a 'problem of time' in the way the company had dealt with the union proposals. The message ended with an affirmation :

> 'The whole union membership, one family with no disorder, from the executive committee and the district officers to the ordinary members, pledges itself to support the committee in its negotiations, and so go forward towards achieving the demands and making a satisfactory agreement on all the items.'

Meanwhile the company was considering what the union had asked for. The union's letter was duplicated, and copies were sent to directors, department heads, and deputy heads. Though these officials were asked for their comments, it was unlikely that the company paid much attention to what they had to say, since the salary and other rises had already been decided upon. On the agreed date, two weeks after it had received the union's letter, the company made its reply.

The letter in which the company made its offer was written not by, or even on behalf of, the president, but by the head of the labour department, even though the union's letter had been addressed to the president. The discourtesy was mentioned several times by union leaders in their private discussions during the more difficult parts of the forthcoming negotiations as an example of the company's contemptuous attitudes towards the union. The company would not increase the bonus in monthly terms; its size would remain at 5.5 months. (Since, however, monthly pay had risen by 7,000 yen in 1969, the 1970 bonus would be 38,500 yen more than in the previous year.) The company accepted the union's point of view of separation allowances; but the system of separation allowances was going to be changed , and changing

it required careful consideration from both sides. The company would therefore like this demand removed from the agenda of the bargaining sessions. The question of reducing working hours, too, could best be considered outside the bargaining sessions. The company would meet the union's demands on overtime pay, and exceed them on death and injury compensations; but Sunday payments would stay at 200 yen. Unfortunately, the company was not yet ready to make a reply to the request for 14,000 yen, because certain difficult problems had arisen. An offer would be made at the first negotiating session. The complete text of the company's reply was copied out and displayed on the union notice boards.

The company's response could scarcely have come as a surprise to the Three Officers, but the factory representatives were very disappointed. The committee met on the day before the talks were due to begin, and the members spent the time playing games and discussing which bars they might visit - for in coming to Tokyo the country members had given themselves an opportunity to do more than simply negotiate bonuses. In between these activities, there would be intermittent discussions of the prospects for the bargaining sessions. The chairman asked each of the factory members what they thought the company might offer in monthly wages. His aim, though they could not have known it, was to find out how far they were deluded, and the extent to which they would have to be schooled in disappointment. Most of the factory representatives thought that the offer would be eleven or twelve thousand yen.

Just before the talks began, two minor incidents took place which unsettled the union committee and entered themselves into the calendar of slights and setbacks by which the union told of the progress of the talks. The company asked that the second bargaining session, fixed for a certain day, be postponed so that the labour director, who concurrently held the more important job of manager of a new factory, could attend the first run of the new corrugator in the factory. There

may possibly have been technical reasons why the machine could not have been tested on another day, or even at another hour; but the union took the postponement as an indication of the company's obsession with 'production first', and of its contempt of the union. The second slight came soon afterwards. The union asked two of the department heads at the main office to give one of the girl union members time off to take minutes for the union at the negotiations. When both department heads refused, saying that the girls were too busy, the union threatened to employ a secretary from outside the company. Eventually, thanks to the efforts of the labour department head, a young man was released to work for the union, but not before considerable confusion and acrimony had been caused.

It was said to be because of this latter episode that I was not allowed to go to the bargaining sessions. I had previously been given permission, but when the union threatened to bring in an outsider to take notes, the company declared that no one who was not a full member of the company would be allowed to attend. I did, however, receive copies of the minutes of both union and management, which were written up independently; and I was able to talk to the participants at the talks immediately before and after each session. In any case, as I have explained, the collective bargaining sessions were not of great significance, the real progress being made in the informal talks, to which not even the factory representatives were admitted.

Three days after the company's reply had been received, the first collective bargaining session was held at the main office, a session which appeared from both transcripts to have been given over entirely to the erection of stage scenery. The first speaker was the labour director :

> 'We have given in all sincerity the biggest offer we can. We should like you to bear in mind, as we face each other across the bargaining table, that you are employees of Marumaru as well as union members.'

The negotiations themselves appeared from the transcript to consist merely of tedious repetitions by each side of its point of view, with scarcely a hint of compromise or give-and-take. The minutes are the company's :

> 'Union. The demand for 7.5 months may be something to which the company can not agree, but leaving aside the number of months, we want to receive a bonus of 300,000 yen, which would be in line with other companies in the same field, with the general standard of living, and with out contribution to the company. Between that sum and the company's offer there is a difference of 75,000 yen. We are asking for this base sum.
>
> Labour director. The bonus is decided according to the company's ability to pay. We can't simply settle on the basis of a comparison with other companies. The offer is a rise of 24,000 yen over that of last year. We offered that with the utmost sincerity and goodwill.
>
> Union. It is said that Company A's profit rate is lower than this company's.
>
> Labour director. We haven't got clear figures. But this company's starting salaries hardly differ from those of companies A and B. If you look back over the last three, five, seven or ten years you will see that it's not so much that there's no difference as that this company's salaries are higher. And the differences that appear in the superficial figures are largely attributable to differences in length of service.
>
> Labour department head. Here is a comparison of three companies :

Company	No of people	Av length service	Av age	Av wage yen	Adjusted wage	
A	2949	8.2 yrs	28.8	56,570	49, 236	(excludes apprentices)
B	996	4.3	30.9	49,197	41,073	
Marumaru	845	4.3	28.0	44,858	44,858	

> There is a difference of 4.4 years between the average length of service here and in company A. In the past Marumaru has in fact given higher wages than company A. The average wage of union members at Marumaru, that is, excluding the sub-section heads, is 42,862 yen.
>
> Labour director. Leaving aside Company A, Marumaru's base wages are better than those of other companies and our own parent company. Up to now Marumaru's wages have certainly not been low.
>
> Union. Companies A and B work a seven hour day, so even if the salaries are the same, since we work an eight hour day we have the impression that our wages are lower. We work harder than

the people in Company A; our production is higher, so we ought to get a bigger salary regardless of lengths of service. We consider 300,00 yen an absolute figure.

Labour director. The company would like to pay more if it could, but we have to keep the business healthy, to prepare for an expected fall in business activity, and to triple internal reserves to 3000m yen. Our offer was the limit. Company A has reserves of 10,000 m yen, so that the two companies are of very different strengths.

Union. In spite of the rapid growth of the company you say that this is the final offer. We don't believe it.

Labour director. Rapid growth doesn't mean ready money. At present the company has put a huge investment into the new factories at I- and S- for the sake of rapid growth. And because of that we should be able to reward you for all your hard work.

Union. So we are having part of our bonuses deducted and invested in the company?

Labour director. You can think of it that way. The company has made the greatest efforts to offer a bonus.

Union. We are aware that the company made its offer in all sincerity, but we are dissatisfied with the amount. Please think about it again.

Labour director. Before we made the offer there was a meeting of the board of directors, and they spent a long time in deep consideration. There's no room for thinking about it again.

Union. Among the union members there's a strong feeling that we should get everything we asked for. We absolutely can not agree to things as they are.

Labour director. We can't say we are going to think about it again.

Sales department head. We would like you to bear in mind that the company has now two factories coming into flow, and that it has to consolidate its base and take the broadest view of things. In my view, when Marumaru has built its foundations it will then turn from rapid growth to stable growth, so we won't be making you work hard for ever.

Labour department head. Even if last year's bonus was the same, at 5.5 months, this year there was a wage rise of 7,100 yen on average so that there was a real rise in the bonus of 39,000 yen.

Union. We have to find out what the views of our members are, so let's adjourn. Next time we would like there to be a co-operative discussion, and we would like the company side to report our views to the board of directors.'

I have chosen this short extract because it reveals the principles of bargaining operating not only in the collective bargaining sessions of 1970 and earlier years, but also, perhaps, in the much more important informal talks. Both sides took care to suggest that they were agents and not principals. The company representatives were the merest spokesmen, so distantly removed from the board of directors and the president that all they, the representatives, could do was to frame hopeful requests on the union's behalf; to ask and to wait. The union committee, too, shone by borrowed light. Though the quiet bearing of the committee and their moderate demands would never have suggested it, the workers whom they stood for were in ferment and inclined to battle. Only if the company conceded all, might it be possible to calm the union members and dissuade them from some unknown but extremely damaging plan of action. By these fictions both sides tried to avoid unpleasant directness, and to give themselves a freedom of action in speaking for others that they could not have had in speaking for themselves.

Both union and company seemed to have agreed on the principle that Marumaru should be offering similar working conditions to those in other companies in the same industry and of the same size. The management used to exchange information with 'Company B', a firm of much the same standing as Marumaru. The union sought information from a loose federation of corrugated board company unions with which it had more or less informal contacts. These similar companies did not share a labour market with Marumaru. As I remarked earlier, Marumaru would have thought it unfair to attract experienced workers from other board companies; and very few of the many people who left Marumaru were thought to go to rival companies. There was, therefore, no market force compelling equal conditions on equal companies in the corrugated board industry; it seemed rather to be

a moral imperative that Marumaru should behave in the same way as its rivals. The only argument was, as the extract showed, whether, in view of the complexities of Japanese pay systems, Marumaru was paying equivalent wages and bonuses or not.

A second common assumption was that the choice was between not wages and dividends, but wages and investment in the business. There was rearely much discussion of the company's profits in the minutes of collective bargaining sessions, and the union committee members scarcely referred to the subject during the many days they spent in the union office, waiting around between bargaining sessions. As is nearly always the case in Japanese companies, the amount spent on new investment at Marumaru was very much greater than profits. Here are the figures for the company year ending in August, 1970 :

Profit after tax	293 million yen
New Investment	1,584 million yen
Labour costs	2,826 million yen

These figures, and those for previous years, were known to the union. It was accepted that the company wanted the money it denied the union not for shareholders, but to finance expansion, which in turn would yield benefits to union members in the future. The argument between management and union became one of how far present parsimony was necessary for future gain.

For a large proportion, probably even a majority, of union members, those in their teens and early twenties, the answer to this question was obvious. They profited nothing by accepting lower salaries now so that the company could grow and pay them more in the future - any more than they profited by the pay by age system, by which they were paid less than their worth in youth to enable the company to pay them more than their worth in middle age. In either case there was

only a small chance that the young people would still be with Marumaru when the time came for the company to pay the deferred wages. But young people, as we have seen, had only an indirect influence on the policies of the union. For the union leaders, however, nearly all of whom were committed to the company for life, the choice was far less simple; for them it might indeed have been advisable to accept a smaller gain in present wages if it ensured the company's growth, and so enhanced employment security in the future.

At the end of the bargaining session the company announced its wage offer. In response to the union's request for 14,000 yen, the Company would pay ¥9000. The union representatives were very disappointed, and apparently attacked the company unsparingly. Nothing of the matter was recorded in the transcript because it was a discussion outside the agenda of the collective bargaining sessions. That evening all the members of the executive committee went together to a strip-tease club, to console themselves.

On the following day, a day wasted by the postponement of the appointed session, the union delegates met together in a melancholy mood. Some of them sat sullenly in the union office while the others complained to each other about the negotiations, the postponement of the session, the amateurishness of the director of labour relations, the difficulties the union had had in getting someone to take notes, and various other indignities the company had put upon them. All the while the factory branches were telephoning their representatives to find out how the talks had gone and what the wage offer was. The invective that had been newly prepared in the union office was then relayed to every part

of Japan by the members talking on the telephone. Sometimes the branch would ask for a word with the chairman or secretary, and these would come to the telephone and explain yet again how bad things were and how discontented everybody felt.

When the telephoning was over the chairman brought the meeting to order to discuss what should be done. One member suggested a strike and a very heated argument followed. Two other members, who were themselves later to suggest striking, said that their only objection was that it was a little early to bring up the subject. The other factory representatives were more cautious, saying that a lot of talking had to be done first, and that strikes were never useful, even as a last resort. The man who proposed the strike said that the company only understood force. A subsidiary argument now began, whose protagonists did not seem to be in any real disagreement. In the end it was decided that no one was against strikes in principle, and that everyone would be willing to act at the proper time, but that it would be better to wait. The man who had proposed striking discovered himself to have been of this opinion all along.

If the union had been going to call a strike at all it would have had to make preparations now, at the beginning. By the union constitution a ballot would have had to be held, and the arrangements made for paying out strike money. Since no one in the union had any experience of running a strike, the preparations would have taken a week to complete. Strikes and bans on overtime were often to be talked of on later occasions, and each time, just as in the first instance, the discussion resembled the convulsions of a sea animal, beginning at a single point, becoming fenzied and incoherent, and finally returning to such a quiesence that it was hard to remember what had happened. The truth was that only one or two people in the committee could afford

to consider a strike, for no one I spoke to was in doubt that if there were a strike the company would dismiss the ring leaders. Later the three officers were to join in these discussions about striking, but on this first occasion the secretary and vice-chairman listened in silence, while the chairman canvassed opinions saying half to himself, after each speaker had given his views, 'Yes, there's that kind of opinion too,' and passing on to the next man.

Just as the argument was ending the telephone rang. The head of the labour department had a message for the union chairman. The company had suddenly decided to close for the winter the smallest and most remote of the factories. It was planned to move the employees to another factory, two hundred miles away, until the summer. Now the factory in question had only been built the year before, so that there seemed to have been a mistake in the planning. But the worst news for the union - which had heard nothing till then of the closure, - was that the company was only going to move the workers, not their families. The news itself, the nonchalant manner in which it was delivered, and above all the fact that the union had not been consulted, naturally made the delegates angrier than before.

The first of the union's bulletins on the negotiations was written by the secretary that afternoon and the following day. It contained only the simplest statements without even the mutest call to action. The company had made an offer of 2000 yen, and that could not be counted satisfactory. The talks had made no progress, and it was hoped that the company would raise its offer before the next round. There was no mention of the affair of the closed factory, or of any of the numerous acts of the company which had annoyed the executive committee in recent days.

Three days after this gloomy meeting, the second round of bargaining took place. The union began by repeating all its demands. The labour director replied that he had spoken to all the other directors individually, and told them of the union's views, and in return he had been reprimanded for his lack of ability to persuade the union. Thereafter the discussion continued as before, the company saying that investment in new factories was the best way of ensuring that the union's demands would be met in the future, and the union doubting that the company had made its final offer, or that Marumaru would suffer if it had to pay a bonus of ¥300,000. The company reminded the union that it was planning for the future; it was aiming to become the first company in Japan, and then it would naturally pay the best wages. At this point the only interesting exchange noted in the transcript occured. The union issued a threat:

<u>Union</u> Even if we were to accept your offer, our members certainly wouldn't. There's a very ugly mood prevailing among our members, and that problem could ruin the company.

<u>Labour director</u> I doubt it. It is because the company has assiduously built itself up, and has had a vision of the future, that the employees have gone along with us.

This was the only occasion in the 1970 set of transcripts, or in the transcripts from previous years that I read, on which the company remarked on the employees' attitude to Marumaru.

At this second meeting the company made a new proposal. The management had previously refused to raise separation allowances, because a new system was in preparation; now it offered higher allowances for certain workers, especially those of long service, at the discretion of the labour director. The union found the suggestion very unsatisfactory and demanded that the allowance be raised unconditionally. Nothing came of the discussion and the

meeting was adjourned. The executive committee once again spent the evening at the strip club.

On the following morning the committee met, as before, in the union office in Yokohama. The early part of the day was spent answering telephones, and when the telephone at last fell silent the delegates played chess or read books. There was a short discussion, even more fragmentary and inconclusive than before. The chairman was criticised for speaking too much at the bargaining sessions. He retorted that anyone was allowed to speak; he had never stopped them. But it seemed that the real complaint was that the factory representatives could not put their views to the company without contradicting his and appearing disloyal in front of the company. It was eventually agreed that the problem was insoluble and that within any committee there were bound to be differences of opinion which had, however, to be suppressed for the sake of unanimity. This was the first evidence of distrust between the two parts of the committee. Later they were to sit together even less easily.

The next day the three officers met the head of the labour department and the labour director in the first of the informal discussions about the request for a wage rise. The meeting went on till late at night, so that the other members of the committee did not learn what went on until the following day. The company increased its official offer to 10,000 yen, but this was the limit. If the union could be persuaded to accept this it might be possible to find some money for the year's bonus. As in previous years, the company was seeking to reduce the wage increases, which would raise the cost of labour for years to come, by offering slightly more as a bonus. In other years, however, the difference between the wage offer and

the union request had been much less, a thousand yen or so. This time it was four thousand yen, too large to be made up for by a larger bonus. Just as he had done earlier, the chairman asked each of the representatives to say what, at the least, he was prepared to accept. The answers were as before; the large factories wanted seven months' bonus and 12,000 yen in wage rises.

While the informal talks between the company and the three officers were going on, the Yokohama factory union branch general meeting to explain to its members how the collective bargaining was going. The meeting was well attended, the factory canteen packed with workers from the morning and evening shifts; and, so far as I could tell, all the office workers who were union members were present. The Yokohama factory representative on the committee told his constituents that the second round of negotiations had gone as badly as the first. The situation was difficult.. The branch secretary solicited questions. Two people spoke, both of them proposing a strike for higher wages. They were told that it was too early to call for a strike, though when the time came the committee would consider it, and that in any case the wage increases were not subject to negotiation. One of those who had wanted to strike then asked for an explanation of the arrangement, and the branch committee members gave an account of the differences between a demand and a request, something few of those present seemed to have known. After half an hour, during which all but the two ordinary members who had already spoken sat in an apathetic silence, the meeting ended. The chairman of the branch promised to call another meeting if any action was to be taken.

It had by now become clear to the factory representatives on the executive committee that the official collective bargaining

sessions were insignificant, and that the settlement not only of the requests but also the demands would be made at the informal talks. The representatives were therefore in a dilemma. If they left the real negotiations to the three officers, the two sides might quickly come to an agreement, but the terms might not be acceptable to the representatives or to the ordinary members. If, however, they continued to press their demands at the bargaining sessions, and refused the three officers freedom to negotiate the demands informally, then the negotiations might simply go on indefinitely without result. A member of the committee therefore suggested that one of the factory representatives should go along with the three officers to the informal talks, so that the demands could be discussed at them as well as the requests. The chairman gave the impression of being friendly to the proposal. He asked which of the factory representatives wanted to come, and then, before any reply was made, suggested the factory representative who was closest to the three officers. He would have realised that if one of the fiery members of the committee had taken a seat at the informal talks the least harm would be that the talks would fail. The greatest danger was that the three officers would lose at a stroke the trust of the union, and the co-operation of the company Fortunately for the chairman, however, the proposal was forgotten, and a new one put forward. The committee would invite the head of the labour department down to the union office in Yokohama to explain the company's offers informally and in detail. The head of the labour department was telephoned and agreed to come that Sunday.

The arrangement made, the members of the committee left Yokohama for Tokyo and the third collective bargaining session. As there were

to be more informal talks on the morrow, and then the meeting with the labour department head the day after, it had been decided not to try to make any headway at the bargaining session, but to repeat the demand for a larger bonus. The strategy, formulated by the secretary, was to wait until the second informal talk and the extraordinary meeting with the labour department head had produced no result, and then to take up arms in earnest at the fourth bargaining session. But the committee was persuaded by the three officers to drop the demands for higher overtime rates, and separation allowances, These demands, it will be remembered, had originally been put by the union as a protest against the company, and one could detect a certain self-consciousness as the chairman announced their withdrawal.

> We want a shortening of daily hours, and the company wants to take weeks, months, and years together, so there's no point of contact. We aren't retreating, but we think you can be sure that you are actually going to reduce hours, so that, on condition that a committee is set up as soon as possible to look into the shortening of hours, taking the views of both sides into account, we will remove the matter from the list of demands.

The company had not promised to set up the committee within a fixed time, nor had it conceded any more than it had been ready to offer before the negotiations began.

At the second informal talks nothing new was said - or rather nothing new was reported to the factory representatives. Then on the Sunday the labour department head came down to Yokohama, and the junior members of the executive committee were able for the first time to tell the company freely what they and their constituents thought. I was not able to be present at the meeting, but the factory members appeared happier after it than at any other time during the negotiations. They admitted that nothing definite had been said, and that the head of the labour department himself did not know what the terms of a settlement

might be. But the fact that the factory members had been allowed to participate in the real negotiations, even in this indirect and doubly informal manner, relieved their tensions, and may have made it easier for them to accept the terms the company eventually offered.

On that Sunday one of the most important horse races of the Japanese season took place, and the executive committee formed a syndicate to back three or four horses chosen by the secretary. All the horses were unplaced. The member of the committee who went to the betting office to place the bets had, on a sudden inspiration, put a thousand yen on a horse he liked the sound of. He won fourteen thousand yen and went to the bar to celebrate. There he lost his wallet with all his winnings and his season ticket as well.

On Monday, the fourteenth day after the publication of the company's first offer, Marumaru's board of directors was to meet in the morning, and the fourth bargaining session was due to take place in the afternoon. The day began as usual for the committee, with all the representatives gathered together in the union office, engaged in their familiar pursuits of chess, reading racing papers, sleeping, cleaning shoes and chatting. The members had by now come to know each other well; though at the beginning they had sat round the table in a fixed order, now they paid less attention to differences of age and seniority, and moved from chair to chair without reserve. This Monday was to be the day when, if no new offer came from the directors, the union would show its teeth at the bargaining session, and the purpose of the morning meeting of the executive committee was to decide on a plan of action. It was difficult, however, to make such a decision before the results of the directors' meeting was known. The morning was spent, therefore, in the same intermittent discussions as before, with everyone getting together for ten or fifteen minutes to hear a new proposal, and then, when the genie of contention had vanished, the members would return to their unfinished chess game, or take a stroll around the factory.

The most interesting of the suggestions came from the deputy chairman. He said that it looked as though the wage rise would remain at 10,000 yen, or at the most that the management might add an extra few hundred yen. Wouldn't it be better to accept it and then concentrate on the bonus? The wage rise was not, after all, a subject for negotiation; the union had no choice but to take what the company offered. The president was now reconsidering the offer and his decision would be final; the union's refusing to recognise the offer, a mere form of words in any case, would hardly induce him to change his mind, though it might delay progress in the bargaining sessions. Simply resigning itself to the situation was not the sort of thing a union should do, but there was nothing else. At least four of the factory representatives, and one in particular, objected forcefully. Unless they secured a rise of at least 12,000 yen they would be unable to face their constituents. The chairman explained the difference between a demand and a request for the fifth or sixth time, and the debate ended, as so often before, in gloomy half-agreement with what appeared unarguable. The chairman again asked the members what size of bonus they wanted; no one had changed their minds. The larger factories wanted seven months, the smaller ones 6.5.

Lunchtime passed, and there was still no news from the company, so at two o'clock the union telephoned to find out what was happening The directors were still in conference, and the head of the labour department was unable to say anything definite. It was four o'clock

by the time the board meeting was over, and even then the head of the labour department was unable to say anything over the telephone. As it was too late to begin a bargaining session that day, the best idea was that the three officers come to the main office next morning and hear the company's final offer. They could then return to Yokohama, tell the rest of the committee, and decide what to do. There seemed no point in the committee's remaining any longer in Yokohama office, and so after a tiring day spent in edgy idleness all went home without, that night, stopping off in their favourite bar.

On the next day the three officers went straight to the main office in Tokyo, leaving the other members of the committee to wait for them in Yokohama. These periods of activity, when the factory members were waiting to hear what their seniors were arranging for them, must have been particularly trying yet although the factory representatives occasionally suggested to me by a brief remark made in private that the committee was not all of one mind, and that the union seemed to be retreating before the company, I never heard anyone criticise the three officers in the absence. Instead the negotiations were hardly ever mentioned, and the waiting members, far from taking the opportunity to compare notes, seemed to separate and give fellowship a rest,

The Three Officers returned at lunch. The board of directors had made what was said to be a final offer. If the Committee were willing, the fourth round of collective bargaining could begin that night - the company's representatives would be prepared to wait till late - and there was a chance of an early end to the negotiations. The labour director had said that the offer of 10,000 yen was the limit and nothing more could be expected, but if the union were prepared to accept the 10,000 yen, then the bonus could certainly be raised. It was hard to give a precise figure, but the impression was that the president would be prepared to allow the union a bonus of 6.5 months.

When the chairman had pronounced the terms there was a disappointed silence. After a pause he added that in his view it would be best to accept. The committee had gone as far as it could, but the offer had been referred to the president and his offer was unquestionably final. However much the union might complain no new offer would be made; the wage rise had not been a demand. Again there was silence, before one of the factory members suggested a strike, and everyone then began talking at once. Most of the factory members would have liked to strike; the Three Officers were resolutely against any kind of action. The secretary said that a strike would do no good. The company would not hand out money as a result. One of the factory representatives replied that though striking might have no immediate effects, the company might pay more attention to the union in future years. The Three Officers doubted this. Another member suggested a ban on overtime, but because the demand for corrugated board was low in November and December such a ban would have been ineffectual. The secretary noted that the union would have to consider the financial cost of a strike. The strike fund would be used up in a day or two. The Labour Bank would certainly lend the union money, but if the strike

went on five or six days there would be problems, and a strike that collapsed was worse than no strike at all.

Someone then proposed that the strike be restricted to the two factories where the workers were least satisfied with the offer and most ready to take action. The financial problems would then vanish, for the strike fund would last at least a week, and the working members could support those on strike. Though the delegate from one of the factories in question was very ready to support the plan, the chairman said that if there was to be a strike it should be total. Partial strikes would cause all sorts of difficulties, particularly if they dragged on. Those participating would be less and less willing to sacrifice themselves for the others; and a partial strike only involved a few people, so that the company could easily mark the ring leaders.

When the members had convinced themselves that a strike was impracticable, the chairman asked them to accept the 10,000 yen on the understanding that they would receive a bonus of 6.5 months' pay. A few of those present wanted the union to keep the discussions going a little longer, and to ask the company yet again to improve the offer. The chairman insisted that the end had been reached. Three years earlier the union had refused to accept such a final offer and the negotiations had gone on for six or seven more sessions, but nothing had come of it. The offer had not been increased, and the union had wasted its time and money. The secretary and the vice chairman agreed with the chairman, and three or four of the factory members, pleased that the bonus at least would satisfy their factories, were ready to accept. But as the chairman spoke to each of the members, asking them if they would be prepared to end the negotiations there, one delegate, lowering his head, and speaking so softly as to be almost inaudible, replied:

'I can not agree; ten thousand is too low'. The chairman, evidently hurt and taken aback, said that the member had in effect rejected the advice of the Three Officers. There would have to be an emergency session and a vote of confidence. The member repeated, his eyes cast down, 'I can not agree'. Another member calmed everyone, including the agitated chairman, by pointing out that all the members of the committee were disappointed, not just the member who could not agree. Though the Three Officers had a duty to lead the committee, no one had been or was being forced to assent. Each of the members had been free to do as he thought best, but most had now come to the same reluctant conclusion. The other members added similar remarks to help persuade the dissenting member. Eventually unanimity was restored, and the chairman telephoned the main office to say that the committee was now about to leave for Tokyo.

At the fourth bargaining session, a short meeting, the union accepted the company's offer. When the negotiations had ended, the directors invited the union men to a restaurant. The next day was the last on which the union committee met, when they gathered to hold an inquest. The inquest lasted ten minutes; nothing of note was said, perhaps because there was too much to say. For the Three Officers, all of whom were shortly to give up their thankless jobs, the negotiations had been the usual kind of failure. The other members of the committee, who had expected more, were correspondingly more disappointed. A week after the factory delegates had returned to their homes, a union bulletin was issued which explained the terms of the 1970 agreement on wages between company and union without any kind of comment on how the agreement had been reached. Shortly after this a second branch general meeting was called at the Yokohama factory. I was called to see the president on that day and so was not able to attend, but I was told by a member of

the factory executive committee that the meeting had been weary and indifferent. No one had made any interesting suggestions, and the greater part of the discussion was taken up with explaining why the 1970 bonus, though paid out in part in 1971, was calculated in 1970 monthly wages. My informant himself had wanted to strike, but it was clear that most of the union members had resigned themselves to taking what they were given.

The final terms,though disappointing to branch officials and indeed ordinary members at the time, appeared far more substantial after certain other unions had agreed on pay awards after the 1971 'Spring Offensive', which took place four or five months later. By the, managements were becoming disheartened by the continuing recession and the prospect of international currency problems, and few offered pay awards much in excess of what Marumaru workers had by then already been getting for some time.

Just as in the 4-3 shift case, the division within the union leadership during the collective bargaining sessions was more the result of the different constitutional positionsof the parties than of any fundamental conflict of views between them. The members of the committee who had found it hardest to accept the management offer were, once again, team leaders or the equivalent, of several years service. Both, however, were relatively new to union office, and I had the impression that they had made their stand out of inexperience rather than militancy. I later visited the two factories at which it had been suggested that partial strikes might be held. In both of them relations between union branch and factory management were cordial and co-operative; in both, the local union leaders consisted largely of team leaders. The

possibility that these branches could have carried out successful independent action against the company was as small as the possibility that the N-branch could really have seceded from the union.

As in the case of the 4-3 shift system, the Three Officers were able to use the disunity in the union leadership as an argument that the company should concede more than it had intended; as if the price to the company of the union's subservience was the company's duty to maintain amity among the union leaders.

c. Conclusion and Summary

It has been the central theme of this chapter that the paradox of a weak union's success in opposing a strong management was explained by the great degree of common interest and understanding between middle management and union leadership. Both the examples I have given of disputes between union and management support the validity of the explanation.

In the examples I gave of management-union relations we saw how the upper management, though it retained not merely the final but almost the entire power of decision, yet remained remote and out of direct contact with the union. Instead it dealt by proxy with union affairs, showing at times such insensitivity that no one would have been in danger of supposing that the sucessful conduct of those affairs was the result of enlightened management attitudes not to be found, for example, in companies in other countries. We also saw how the junior unionists, though they had an interest in the outcome of any bargaining between union and management, and though some of them might have had opinions on what the outcome of certain issues should be, were excluded from participation in bargaining by the organization of the union, the lack of dissemination of information, and their own apathy. The only parties directly engaged in labour management negotiations were the middle managers and the senior unionists. These two parties, though they represented management on the one hand and a union on the other, differed little and had a very great deal in common.

We saw how in both the 4-3 shift case and in the wage and bonus negotiations, the Three Officers showed themselves as keenly aware of the importance of the company's prosperity as any manager would be; and how to maintain that prosperity they were prepared to act in collusion with management and to ignore or even mislead their own subordinates in the union. Those union subordinates, however bitter they were at the results of the arrangements of the Three

Officers and the management, were nevertheless themselves loyal and established company members, unwilling to do anything that would do the company harm, or make their fellow employees too unhappy.

On the other hand, we also saw how in the case of the 4-3 system, the middle and junior managers entrusted with representing the company to the union were in no way responsible for the company's actions, and indeed had cause to regret them. In opposing the 4-3 system the union leadership was not only divided, but lacked any support from the union rank and file; but because the union leaders had gained the sympathy of their seniors in middle management, and because these middle managers had some influence on upper management, the union managed to persuade the upper management by proxy to discontinue the 4-3 shifts. When he finally decided to stop 4-3 shift working, the president was quite unaware that it was even popular among the workers.

As long as the middle managers and senior unionists shared common interests, remained in a similarly intense association with each other, and continued to sympathise with each other's positions; and while middle managers were able to persuade their superiors in upper management to rescind any decisions which appeared to them ill conceived; and while, also, the senior unionists could prevent the representation of any more extreme views than their own on labour-management relations that might exist among the junior workers - while all these conditions continued to prevail, then disputes between labour and management could continue to be solved relatively smoothly and to the moderate satisfaction of all parties.

In 1971, it seemed to me that these conditions would indeed continue to obtain for some time to come, or at least that if they ceased to exist, that the company and union could both make simple adjustments to preserve industrial relations as they were. It was inevitable, for example, that the proportion of mid-term entrants among unionists would rise, as high school recruits continued to leave and the company took in more and more people from other companies. As a result it could be expected that men of short service with little devotion to the firm, and no great fear of being required to leave, might be candidates for branch offices, or even branch leaders. Such men would have sympathy not with the management but with their fellow mid-term entrants and the mobile young workers. The Central Committee, however, could easily reduce the power of branch officers under its rules - as the postponement of the general meeting showed. Again, the company could always re-draw the purely arbitary line between union and management, allowing sub-section heads to be union members, and therefore leaders, in order to keep the union co-operative. Indeed, proposals to admit sub-section heads to the union were under discussion when I left Marumaru.

A strong management and a compliant union leadership could keep the union oligarchic and therefore co-operative. The price would be paid, as it was always being paid, in the union's inability to represent interests too far removed from management. The high leaving rate of young recruits was causing the company financial loss, and inconveniencing union members who remained to do the work. The union showed itself concerned with the problem. It will be remembered that the union asked to be able to help formulate a policy to stop people leaving; the secretary mentioned the leavers in his bulletin on the 4-3 system, and there were frequent references to the issue at the central friendly talks. But since the union itself failed to encourage the young to take an interest in the union, and prevented their learning much about its doings, it was not surprising that the union was as ignorant

of the reasons why young people left, and as helpless to prevent their leaving, as the management.

Now there is no way of proving that a more representative and less oligarchic union would have been able to lower the leaving rate; or, if it had done so, that it would have saved the company more money than it might have cost Marumaru through striking, or through adopting a less co-operative attitude to overtime, or looking less indulgently on management mistakes. But at least it was arguable that the union might be a little too complaisant for Marumaru's own economic good, and that management was making a mistake in allowing the union to be too much the property of one section of its membership, however, solicitous of immediate management interests that section was. If demographic and other changes made Marumaru a more heterogeneous community, then the union's inability to serve new interests might cause the company much pain and damage.

Perhaps the most obvious contribution of a study such as the account I have given of Marumaru and its members is as an antidote to too much generalization. As I noted in the Introduction to this thesis, until the publication of Cole's book, no major research had ever been done on Japanese company organization by a first-hand observer. Until them, discussion (in western languages at least) had been of 'the Japanese company' and 'the Japanese employee' as if variety existed in neither. Cole showed how different social relations were in a small, almost defunct urban factory and in a new and flourishing suburban plant. I have now described yet another Japanese industrial community, different in certain respects from each of the two Cole worked in. His work and mine combine to suggest that it may be only a little less inaccurate to generalize about Japanese companies as about British ones.

Another criticism of those like Abbeglen, Ballon and Nakane, who have interpreted Japanese industrial society for western readers, is that besides ignoring the variety of Japanese companies, they have also overlooked the complexity of the institutions, even in companies of the type that most exactly fit their descriptions.

These authors have over-simplified their descriptions of Japanese company organization partly because they lacked first hand experience, but also because they were looking at Japanese companies as manifestations of Japanese culture, and were therefore inclined to emphasize, to the exclusion of others, those features which they considered peculiarly Japanese. They have remarked (cf Ballon, 1969, p 69) on the traditional inspiration of the pay and promotion systems (of which close anologues exist in the armies and civil services of other countries than Japan), but ignored the genuine interest of Japanese managements in meritocracy,

and the meritocratic sentiments of many ordinary employees. Again, they have presented a picture of Japanese employees anxious to resign their individualities to the group, and to bask in collective warmth and security:

> 'Loyalty to and identification with the work group and company seem to substitute well in Japan for compensation techniques as a motivational base' (Abbeglen, 1969, p.101).

It is hard to reconcile such a judgement with the complicated and often inconsistent behaviour of Japanese employees as observed by an anthropologist in the field.

A case study like the present one, which reveals the individuality and complexity of the social organization of a Japanese company, provides a useful means of testing generalizations like the one quoted above; but because of its limited subject matter, a case study is a poor source of new generalizations to replace the old ones it discredits.

The problem is, of course, to decide which of the many factors which determined social relations at Marumaru were specific to Marumaru, and which could have been expected to influence social relations in all, or at least most Japanese companies.

Among the more obviously contingent circumstances affecting social relations at Marumaru was the youth of the president, which contributed to an unusually firm belief in meritocracy; while the fact that the president had been in office so long caused a centralization of authority which had important consequences for labour management relations. Again, the relatively simple process involved in the manufacture of corrugated board made it

possible for the company to pay little attention to specialist knowledge, and also to promote shop floor workers to important managerial positions. Or again, because so many of the shop floor workers were on shifts, they saw little of the salesmen and so had only limited relations with them.

Some of these characteristics were shared with other Japanese companies, and could justify a comparison between the social life at Marumaru and in those companies. It might be interesting, for instance, to compare Marumaru with other Japanese companies under the direction of particularly young presidents, to see whether in those other companies, also, the ideal of meritocracy was similarly established. The effects of transfers could also be studied comparatively.

Similar comparisons could be extended to companies in other countries. I remarked that the problems of growth affecting Marumaru were familiar to managements in the United States. One could reasonably suppose that shift working would influence social life in a British company in the same way as it did Marumaru. Indeed, it is even possible that a British corrugated board manufacturer, since it would be employing much the same number of men and women, placing them in a similar organization, and even deploying them in similar positions on a factory floor, would sustain a society with many features in common with that of Marumaru.

In this conclusion, however, I want to discuss not these contingent determinants of social life at Marumaru, but three more fundamental factors. The first of these factors was the isolation of Marumaru from other parts of Japanese society; the second, the labour market; the third, the organization of the company, of which the principles were the same at Marumaru as in other Japanese firms, even if the details were peculiar to Marumaru.

Company members at Marumaru were isolated from other Japanese because they were required to work long hours, and had so little time off; and because even during their free time they were expected to remain within the company's social orbit. Moreover, a great many of the employees were housed by the company, some of them having been transferred by company order to places where they knew no one except their fellow workers. This isolation was increased by the nature of the relations between Japanese companies, and by the absence of institutions like trade unions and professional associations which link people in different companies in the west. Marumaru's isolation was not in any way unusual among Japanese companies; indeed, their isolation from Marumaru was inherent in its isolation from them.

The effect of the isolation, which forced employees to associate with each other more than they otherwise would have been disposed to, was to intensify social relations within Marumaru. In consequence, people were induced to behave artificially towards each other, while the maintenance of 'good human relations' became one of the main preoccupations of managers. It was in order to maintain 'good human relations' that the upper management hesitated to promote too many able young men, so that promotion at Marumaru came to depend more and more on age; while the fear of dissension in an isolated community forced the upper management to rescind decisions which proved unpopular among middle and lower managers.

The second factor determing social relations was the labour market. There was a shortage of young, less well educated workers because, for social and demographic reasons, fewer middle and high school boys were coming on to the labour market, while

Japanese companies, Marumaru among them, continued to prefer young school leavers to other types of recruit. We saw that those who, in these circumstances, were able to leave the company without great risk, adopted quite different attitudes both to the company and to their fellows from those who had to stay with Marumaru until retirement.

The third factor was a company organization in which all company members were given places in a finely graded hierarchy, superimposed on what might otherwise have been distinct classes of directors and other employees, workers and management. In the last chapter we saw how in the absence of a division between 'workers' and 'management' the union leaders had very close relations with junior managers. Though the arrangement of the standard ranks and grades lent great cohesion to the community, it allowed a man to distinguish his seniors and juniors all over the company with a degree of accuracy that was not always desirable. Again, while the standard ranks united different functional units of the company into a common scheme, they also encouraged competition between people who would not otherwise have been rivals.

The cohesive effect of the standard ranks system at Marumaru may have been greater than at other Japanese companies, because though the hierachy itself was similar to that of other companies promotion of its highest ranks was open to everyone at Marumaru, at least in theory. In many Japanese companies (Cole, 1971, p 143) high school leavers, who form a class of employees known as kōin, are ineligible for offices higher than section head, and promotion may only be semi-automatic up to the rank of sub-section head. Under pressure from their unions, however, Japanese companies are now tending to abolish formal distinctions between men of different educational levels.

Even where the distinctions persist, it seems probable - unfortunately Cole does not consider the matter in his own research - that the standard ranks do provide continuity between shop floor and office, non-graduate and graduate; for employees of all levels of education can look forward to passing up at least part of the hierarchy together.

If the degree of their social isolation, the state of the labour market, and the nature of their typical form of organization are indeed the leading determinants of social relations in Japanese companies, then it would be reasonable to expect that future changes in these three factors would induce changes in industrial society.

The factor, out of these three, in which change can most confidently be predicted is the state of the labour market. The supply of young school leavers is certain to continue to fall below the demand in the coming years, and it is likely that it will become difficult for companies to find young graduates as well as non-graduates. It may well be, therefore, that an observer visiting Marumaru in five years time will find significant changes in the behaviour of young graduates as they acquire a freedom to leave one employer and pass on to a more congenial one.

It could also be expected that more and more older mid-career recruits would be taken in to Marumaru. Their entry would weaken the correlation of age and seniority which had contributed to the stability of the social order of the company. It would eventually become more difficult for Marumaru to pay by age - though we saw that the work and ability payments allowed for relatively

smooth adjustment of the pay system to demographic conditions. One would suppose that with the entrance of ever greater numbers of mid-career entrants, problems of authority would arise within the company, especially on the shop floor. I mentioned that young team heads disliked instructing older mid-career entrants; and it would be hard to forget the complaints of the mid-career entrant who thought himself more capable than any of the older men in the factory. Again, as I postulated in the last chapter, relations between management and union might be seriously affected if age, company seniority, and influence in the union ceased to go together.

On the other hand, as I remarked in the first chapter, the mutual dependence of the institutions of Japanese industrial society, the fact that an alteration in one institution requires adjustments in others, is likely to slow the pace of change. We saw how Marumaru strenuously opposed the effects of labour shortage. Even in 1971, the state of the labour market made it very much cheaper for Marumaru to recruit skilled workers than young ones. Nevertheless, for cultural and moral reasons which reflected the company's social isolation from the rest of industrial society, Marumaru hesitated to try to attract skilled men; and when it did recruit a worker from another company it made very little allowance for his experience, which had, after all, been gained outside its bounds. By contrast, it worked harder and harder to recruit new school leavers, in spite of their eminent unsuitability for company life.

It may be, however, that Japanese industrial society will change more as a result of forces whose influence was scarcely apparent in Marumaru during my stay there.

In the first chapter I noted how the attitudes of the general public to Japanese companies was beginning to change, and managements were coming to inspire as much distrust as admiration. I mentioned the enormous public interest in pollution, and the degree to which Japanese were becoming conscious of an excessive preoccupation with purely economic matters.

It could not be said that the shift in public opinion had yet had much effect on Marumaru society. Management still retained its truly remarkable self-confidence, its belief that with work all things would be possible in the future as they had been in the past - I mentioned in the second chapter that Marumaru had established a subsidiary company in order to build an entire new town, a venture that a British building company, let alone a corrugated board company, with five or ten times Marumaru's reserves of capital would have hesitated to undertake. Employees remained immensely proud of their company, of its efficiency, which they considered the highest in Japan and consequently the world.

There were only one or two minor incidents which suggested that Marumaru members were aware of how companies were coming to be regarded by people outside industry. On my admission to the firm the department heads had enquired into my views of the Japanese as 'economic animals'. One of the managers, it will be remembered, had told new recruits about Marumaru's own pollution case as a cautionary tale. The team head's article in 'Cloud', and some of the remarks made by young graduates were also indications that employee's attitudes were being influenced by what they read in the papers and saw on television.

Nevertheless, it was entirely possible that these minor incidents were the signs of greater disturbances to come. Sooner or later the facts that businessmen have begun to lose the esteem they were once accorded, and that companies are no longer considered

necessarily to be the best representatives of the Japanese ideal, must have an effect on how companies are run and how company members deal with each other. Changes in ideology, combined with a loosening of the constraints imposed on the behaviour of workpeople by the social isolation of their companies, and by the state of the labour market, may give rise to important modifications in social relations in Japanese industry.

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