

# **A Study on the Nature of Capitalist Modernity in Contemporary Japan**

**Man and Company under Restructuring and Globalisation**

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**PhD Dissertation**

**School of East Asian Studies  
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## **Abstract**

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**Key words:** modernity, modernization, capitalism, globalization, the Japanese salaryman, work values, lifetime employment, Japanese-style management, corporate restructuring

This dissertation uses an empirical study of the lifetime employment system in four large Japanese corporations and the principal work values of their core white-collar university graduate male employees to inform a theoretical discussion on the nature of modernity and capitalism in contemporary Japan. As such, therefore, it lies within the academic disciplines of sociology and Japanese studies.

For some time now the lifetime employment principle has been the ideological and functional basis of the Japanese management system. However, due to the steadily accumulating stresses exerted by the further intensification and globalisation of economic competition, coupled with changes in Japanese society stimulated by the achievement of material abundance, Japanese corporations feel they are under increasing pressure to implement fundamental changes to the system of employment. For their part, employees are adopting a more independent, critical, and reflexive employment orientation.

Making use of both Western and Japanese theoretical representations, and contrasting the post-war paradigm of employment security and stability within a rapidly growing economy with the present period of corporate restructuring and economic stagnation, the dissertation posits a hypothesis that Japanese society is undergoing a period of systemic and cultural transformation that lies between a post-war “transitional” and a global “hybrid” modernity. That is to say, the post-war Japanese company can be said to have possessed both modern and fictive pre-modern attributes and was thus a “trans-modern” corporation. Moreover, the present period of corporate rationalisation, together with the progressive modernisation of the Japanese salaryman’s work and career consciousness, signifies that the Japanese corporation is entering an age characterised by a global hybrid form of capitalist modernity.

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## GLOSSARY OF JAPANESE TERMS

<i>Buchou</i>	General Manager, or Division Chief.
<i>Fureeta</i>	Freelance temporary worker.
<i>Gekkyuu-tori</i>	A pre-war term to refer to those who received, or took ( <i>toru</i> ), their salary ( <i>kyuuryou</i> ) on a monthly ( <i>getsu</i> ) basis.
<i>Honne and tatemae</i>	One's true feelings and one's public face.
<i>Houkounin</i>	Business executives of the Mitsui House before the Meiji Restoration.
<i>Ie</i>	Meaning literally "family" or "household". In the context of sociological discussions it refers to the Meiji Period and pre-war ideological construction of the patriarchal family that served as a model and basic unit for the state and nation with the Emperor at its head.
<i>Ikigai</i>	Something which makes life worth living.
<i>Kachou</i>	Manager, or Section Chief.
<i>Kaisha ningen</i>	Devoted company man.
<i>Kakarichou</i>	Assistant Manager.
<i>Karoushi</i>	Death from overwork.
<i>Keieikazokushugi</i>	Literally, managerial familism. It is a term used by Hazama (1997 [1964]) and refers to the pre-war ideology of management.
<i>Koshiben</i>	Another pre-war term to refer to those workers who carried their lunch boxes ( <i>bento</i> ) to work tied around their waists.
<i>Manga</i>	Japanese printed comic strips and comic books.
<i>Mokuhyou kanri seido</i>	System of management by objectives.
<i>Mura-shakai</i>	Village society.
<i>Nenkoujoretsu</i>	Seniority-based pay and promotion
<i>Nouryoku</i>	Abilities.
<i>Oyabun-kobun</i>	Parent-child.
Salaryman	usually a male white-collar university graduate employed by a large Japanese corporation as a regular employee under an implicit lifetime employment agreement.
<i>Shanai koubousei</i>	Internal and open job vacancy advertising system.
<i>Shikata ga nai</i>	(Also <i>shou ga nai</i> ) Loosely translated it means nothing can or could be done to alter the situation.
<i>Shuushoku</i>	Job-hunting
<i>Teinen taishoku</i>	Customary retirement age fixed by the corporation.
<i>Uchi and soto</i>	Inside and outside.
<i>Ura and omote</i>	Behind and front.

# Preface

Nothing is more difficult than to know precisely *what we see*.

**Maurice Merleau-Ponty**, *Phenomenology of Perception*

In attempting to connect the contemporary work consciousness of the Japanese salaryman with the enormous complexity of human development I have set myself an ambitious challenge. Nevertheless, if we do not set ourselves difficult tasks and invite the possibility for failure then we reduce the potential for reaping the rewards that come from the pursuit and achievement of our hopes and ambitions. These rewards constitute much more than the sum of personal pleasures that come from satisfying our needs and desires. We value them because they assist us in deriving meaning, consistency, and contiguity from our lives and because they come from our desire to contribute to enhancing the total quality of the human experience for ourselves as well as for others.

Consequently, it is also an interesting and, at times, unnerving feeling to be researching something from which it is impossible to separate oneself. For I am as much a child of this globalising modernity as the subjects that have given so generously of themselves for this research project. Nevertheless, although it presents the researcher with an interesting problem, the inability to distance and detach oneself completely from one's research material is not unique to the study of the sociology of modernity. However, if it is impossible to distance oneself from one's research material, much as a chemist might from the chemicals he or she is trying to develop, then how does one deal with the inherent difficulty that arises from the problems of objectivity and validity? That is to say, with the aim of gaining valid data and deriving conclusions from it, how does one negotiate the dilemma that lies between trying to separate the inseparable and becoming a part of the research process itself? For me, there can be only one answer and that is to make efforts to understand myself as an integral part of the process and then use my own experience as a methodological and empirical medium.

Thus, this dissertation exists on various different levels of understanding and is intended as such. Of course, it is up to the reader to decide at which level he or she wishes to settle, and certainly, each person gains an appreciation for what he or she experiences that is unique to that individual. In so doing I wish to use this thesis to link various fields of scholarship together and, as a result, do my part to promote a deeper understanding of the modern human condition. It is my hope that this dissertation will assist in resolving some of the developed world's most urgent difficulties as it enters a new age in human experience and, consequently, I might be able to make at least a modest contribution to improving the quality of human life.

## **Some Reflections on the Researcher as Respondent**

When I first came to Japan I was frequently asked by Japanese people why I had decided to



come to a country so far and so different from my own. In truth, I felt I had somewhat drifted here. Although ostensibly I had made a considered and active decision to come to Japan, I was reluctant to admit that I felt I had gravitated here without a set of clear reasons for doing so. While I viewed the opportunity to live and work in Japan as an inviting challenge with possible but unspecified long term benefits, I had also come here for the reason that I felt I had little more challenging, more interesting, and more profitable to do with myself at the time.

Explaining my motivations, I devised a fairly convincing story that I was interested in experiencing Japan first hand because it was the only fully developed non-Western society. At that time there were many Western observers eagerly trying to uncover the secrets of Japan's almost miraculous post-war economic success and such an answer was plausible enough that conversation often flowed from there. Although I was indeed interested in how Japan had managed to develop, it was not really why I had originally come here. Basically, I had been somewhat self-conscious of my lack of clarity and direction and had construed a rational explanation for the benefit of giving my interlocutors what I imagined they wanted to hear as well as giving myself a more concretely rational feeling of purpose.

I even started to believe this post-hoc rationalisation a little myself, and certainly it fitted neatly into the artificially contiguous and future oriented personal biography that I was gradually carving out of the rather discontinuous life I had lead thus far. This ongoing biography was as much a means for describing myself to others as it was for the construction of a personal map for making sense of my place and meaning in the world. Upon this somewhat contrived biography I could convince even myself that I was actively directing my path through the educational process and on through employment. Yet, I knew deep down that I had succeeded in my desire to study history at university simply because I was good at it, I quite enjoyed it, I didn't know what else I could do, and, more to the point, I felt that it had been expected of me. When the time came to decide what to do with my life thereafter, for that is what I had to do, I only knew what I didn't want and so I followed a friend into temporary work and eventually ended up in Japan a year later.

A combination of fortuitous circumstances and a little active career building on my part led me by 1991 to be working as a white-collar salaried worker at a semi-governmental organisation in Tokyo. For two years I lived the life of a Japanese salaryman in a one-room apartment on the east side of central Tokyo and commuted to work in a comfortable new fourth floor office near Shinjuku. I stayed there often until very late at night and occasionally even came to work at weekends, for no extra salary. I enjoyed my work and gained a sense of fulfillment from it. It was a challenge that I discovered I could rise to and which required creativity and effort. I believed I was making a positive and real contribution to human relations between Japan and other countries and, quite coincidentally, I learned how to use computers for the first time and felt that my understanding of Japanese people was becoming less deficient with each passing day. Nevertheless, throughout that time I was not so much interested in getting and securing a job with a regular salary. For I took it for granted that whatever happened

I would always be able to find material support for myself. Instead I was more interested in finding something useful and stimulating to do, developing and using my abilities, making a positive contribution to others' lives, and living a vital and fulfilling life. For those two years I was able to do all these things and I was happy and grateful for the opportunity that, by a mixture of chance and design, had come my way.

After two years working back in Britain trying to discover a purposeful and fulfilling role for myself I returned to university to commence the long road to completing this dissertation. I had always harboured a quiet desire to be an academic and, not having developed a career that I was satisfied with, decided to give it a try. I wanted to combine my rather disconnected knowledge and experience and put it to good use for myself as well as others. Moreover, and perhaps most importantly, I craved a return to the experience of work I had enjoyed in Tokyo. I felt, correctly as it turned out, that social research is something I would find to be valuable in and of itself, that I would be able to contribute to improving the quality of others' lives, that it would be a difficult challenge, and that I would be able to achieve a feeling of self-fulfillment.

Had I convinced myself that I was interested in studying Japanese society? Or was there a latent interest and desire of which I was only dimly aware at the time and of which I gradually became more aware as my experiences in and knowledge of Japan deepened? How much was the path I took a series of considered and active decisions based on a coherent and consciously understood set of values and motivations, how much was it the product of a subliminal teleology, and how much was it a reaction to external circumstances, structures, and events? The precise answers to these questions are not apparent to me. Indeed, I would find great difficulty in searching for the memories, developing and connecting the strings that linked the disparate thoughts and events, and even finding the right language to describe exactly why I had done what I had. However, as well as being cast into a world of having to decide, and take responsibility for, my own fate, I have been able to make decisions and experiment with the choices that have been available to me. Through that process I could learn to understand myself more completely, enhance and expand my abilities and knowledge and, most importantly for me, find fulfillment through expressing aspects of my inner self in substantive reality.

In keeping with the discussions on reflexivity and work consciousness in modernity that form part of the theoretical basis for this project, the above is not simply an exercise in introspective self-absorption but a serious expression of the principal assumptions and the fundamental approach of this investigation. For if an important aspect of this dissertation is an investigation of the relationship between the modern Japanese salaryman's work consciousness and the institutions of capitalist modernity in Japan, then, in the interests of clarity and depth, it would seem appropriate that the dissertation should also include within it a discussion of the understanding and experience that I, as a child of capitalist modernity who has lived and worked in Japan, bring to this thesis. In addition, I believe that these reflections will facilitate a richer or more well-rounded judgement of the suitability of my research method, the quality of the data

collected in its execution, the depth of analysis brought to bear, and the validity of the conclusions developed therefrom. These discussions are, therefore, intended to assist in building an appreciation of a humanistic as well as scientific approach to social research.

## **First Principles**

All researchers possess a personal agenda for why they conduct their work and, perhaps, scholars could make more concerted attempts to disentangle such agendas and present them to their audience, even if they are by their very nature incomplete and at times unfathomable. We all suffer from the problem of physiological and cognitive limitations constraining our understanding of ourselves as well as our subjects and yet this crucial aspect of our work is rarely explored<sup>i</sup>. Consequently, all scholars inevitably rely on unavoidably flawed and idiosyncratic judgements in the development of their conclusions. However, it cannot be denied that these conclusions, and the methods and data that support them, continue to be considered valid. Thus, the understanding that we, as researchers, have of the social conditions that we investigate is so complex, necessarily deficient, and unendingly developing that a reductionist simplification of the phenomena that we are attempting to make sense of and unravel is unavoidably subjective in the sense that, in part, it depends upon our own unique circumstances.

Therefore, it is important, first, that we demonstrate an awareness of our own shortcomings as well as our unique circumstances and motivations in order that we can develop a research strategy and research conclusions that move towards a truer, or rather more authentic, representation of both ourselves and our respondents. Second, it is also important that we can confidently incorporate our own experiences and feelings into the research process, its analysis, and its conclusions so that we can enhance its quality, depth, and resonance. For all social research is as much an expression of the consciousness of the researcher as it is of the research subjects. Thus, the purpose of the research strategy must be to attempt to enhance perception and judgement through the development of a suitable research methodology that forms the basis of a research method which, under ideal circumstances, would be carried out by researchers who are sensitised to their own as well as their respondents circumstances and limitations. In this way we can, as scholars, develop conclusions that are authentic to the real, perceived, and underlying consciousnesses and behaviours of individuals in their social lives.

It is partly through introspective self-examination that the researcher may become more receptive to the research subject as he or she attempts to provide meaningful responses to investigative methods and questions that are, more often than not, outside the realm of ordinary day-to-day experience. It is important to maintain that respondents on the whole do not consciously try to misinform the researcher as to the motives and causes for their own social behaviour. However they may not describe completely or clearly the experiences and thoughts that they have because, as human beings, they suffer from the very same limitations that restrict researchers themselves and, as lay persons, they are for the most part not cognisant of the theoretical and intellectual world that surrounds the analysis and conclusions that may be

derived from their responses. Ordinarily I do not subscribe to theories of false consciousness, since they are almost invariably the product of an academic or intellectual separation from the realm of the subject on the part of the researcher reserving for himself or herself clarity of thought and expression while condemning the respondent to ignorance and incoherence. However, upon introspective consideration of my own circumstances it becomes impossible to avoid the conclusion that at least some of the respondents that contributed to this project may have been trying to convey a message that they felt would not only be acceptable for the researcher but would also allow the respondent to feel more comfortable with his or her own explanations. In this sense respondents may try to construct and reconstruct meaning, rationality, and contiguity precisely to alleviate the anxieties that they experience from living in a world that they feel they cannot either control or fully understand and may, consequently, appear meaningless, irrational, and directionless. But, this in itself is useful data and indicates to us aspects of the social phenomena of modernity that we are trying to discover and explain.

Finally, there is an insoluble and irreconcilable problem as to the nature of truth that is vital to our understanding of the research process and how we present our conclusions. What is truth? Is it what is, is it what we want it to be, or is it simply what we perceive? Like Merleau-Ponty in his book *The Phenomenology of Perception* (1998 [1962]) I believe the answer to be an imprecise, irreducible, and indescribable combination of these. There is an external essence that we know to be true in itself and of which we have a basic, if incomplete, understanding. However, we can only understand what we can perceive from our own position of sensory focus. We can never be completely aware of the complete essence of truth and we end up constructing the parts that we cannot perceive using the flawed cognitive and intellectual processes of analysis, judgement, and imagination. These reconstructions we believe to be true yet they are, even if we do not want them to be, a compromise between what is and what we want it to be. Moreover, my perception of truth is merely mine and although its similarity to others' may be great it is never identical. This is TRUE as much for the researcher as it is for the respondent and we must be both constantly aware of the dangers into which it can lead us as well as allow these apparent weaknesses of the human condition to become positive advantages for further and deeper enlightenment of the research process and our understanding of human beings as self-constituting subjects.

## **Overview and Acknowledgements**

The rest of this dissertation is a theoretical discussion of Japanese modernity that takes as its empirical basis the relationship between the Japanese salaryman and the institutions of his employment. Chapter one presents a research agenda for Japanese modernity and sketches out the theoretical and empirical rationales and purposes for this study as well as providing a description of the research method undertaken. Chapter two sets out the theoretical foundations for the project and provides a discussion of the principal academic literature that informs it. Chapter three is an analysis of the origins and institutional establishment of the lifetime

employment system in large Japanese corporations and presents some empirical data in the form of respondents' recollections to inform a description of the post-war system as a transitional or intermediate institution in Japan's modern development. Chapters four and five present empirical data on, first, the contemporary structure of the lifetime employment system and, second, the consciousness of the Japanese salaryman towards the institutions and structures of his employment. Both these chapters present the idea that Japanese society is emerging into a new more intense, more dynamic, and more global phase in its modernity. The final chapter provides an analysis of chapters three, four, and five in the light of the theoretical arguments presented in chapters one and two and presents some conclusions that describe the potential significance of these recent developments in Japan's modernity.

Through the four years it has taken me to complete this dissertation I have been fortunate enough to have received generous funding from the following organisations: The British government's Economic and Social Research Council (ESRC), the Japanese Ministry of Education (Monbusho), and the Japan Foundation. Their financial assistance has enabled me to concentrate on my work and to produce a dissertation which, I hope, will be useful for them in their endeavours. In addition, I would like to express my sincere gratitude to each of them.

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Members of the four companies at which I researched, as well as other respondents whose names I cannot mention, all deserve special credit and thanks for the efforts to which they went in helping me to understand the mechanics of their work and how they feel about it. I will never be able to repay the debt of gratitude I owe to them. Special thanks must also go to Stephanie Assmann, Daniel Baheta, Timothy Brierly, Dr. Christopher Hood, Park Mi Jeong, Jarno Lyytinen, Hayakawa Mineko, David Porter, Teruhisa Se, Philip Shetler-Jones, and Michiko Yoshida<sup>ii</sup> who gave of their time to read my drafts, contribute in various other ways, and give me their criticisms and opinions. Many others also contributed ideas, discussion, criticism, and time to this project and I wish to thank them all here. Lastly, it is my duty to insist that all errors of text, fact, and judgement contained herein are entirely my own responsibility.

# Chapter 1

## Researching Japanese Modernity

‘Thou shalt labour by the sweat of thy brow!’ was Jehovah’s curse that he bestowed upon Adam. A. Smith conceives of labour as such a curse. ‘Rest’ appears to him to be the fitting state of things, and identical with ‘liberty’ and ‘happiness’. It seems to be far from A. Smith’s thoughts that the individual, ‘in his normal state of health, strength, activity, skill and efficiency’, might also require a normal portion of work, and of cessation from rest. It is true that the quantity of labour provided seems to be conditioned by external circumstances, by the purpose to be achieved, and the obstacles to its achievement that have to be overcome by labour. But neither does it occur to A. Smith that the overcoming of such obstacles may itself constitute an exercise in liberty, and that these external purposes lose their character of mere natural necessities and are established as purposes which the individual himself fixes. The result is the self-realisation and objectification of the subject, therefore real freedom, whose activity is precisely labour.

**Karl Marx**, *Grundrisse*

Modernity is as much a state of mind as it is a material condition. As such its quality can most clearly be described as a transformative ethic that has as its engine pushing it forwards and outwards the positivistic and economic rationalism that is capitalism. That is to say, with capitalism as its mechanism and its fuel, modernity seeks a progressive and linear transformation of the human experience into a rationally and reflexively ordered life-scape that can be pro-actively controlled and manipulated for the purposes of providing an ever more comfortable, fulfilling, liberating, challenging, and complex life for its human architects. Mediating the mental and the material aspects of modernity are the institutions and organisations which individuals and groups construct in order that they might express their consciousness through the process of creative adaptation. In other words, institutions and organisations are the social mechanisms by which people not only create their environment out of the mental images they have developed but also are the method by which people accommodate themselves to the circumstances of their lives. For at the heart of modernity is the individual’s moral responsibility to discover his or her authentic inner consciousness and substantiate it in lived experience.

Moreover, because capitalism requires expansion if it is not to implode under the weight of its own inherent internal contradictions, so capitalist modernity compulsively expands out from its centre in the West<sup>iii</sup>. In so doing, it becomes both a globalising and a totalitarian phenomenon. Globalising in the sense that it ceaselessly and ineluctably extends into previously

untouched areas of the world and totalitarian in the sense that as it enters into and interacts with ever deeper and wider realms of the human consciousness it becomes a seductive and beguiling yet enforced and problematic liberation from traditionalism. Like a giant seismic sea wave it colonises and envelops the future as well as the present and the past in its steady irresistible advance across and around the earth. Yet, just as the advancing wave, by dint of the underwater terrain it encounters, must possess within it cross- and counter-currents, so modernity, as it spreads out from its epicentre, contains the capacity to mutate according to the character of the domains it confronts. Consequently, through the process of the globalisation of capitalism, modernity becomes not a singular phenomenon but evolves to develop and exhibit a variety of forms according to the circumstances of its initial appearance and subsequent development in any particular region of the world.

Nevertheless, an epiphenomenon of the globalising tendency of capitalist modernity is that of the collision and convergence of different versions of the modern. Specifically, the inherently compulsive expansion of capitalism eventually and inevitably leads to the collision and perhaps even convergence of different versions of itself. Accordingly, the ongoing transformative process of the destruction, reconstruction, and mutation of ever more complex versions may also have within it the capacity for capitalism to evolve itself into a singular global phenomenon. Thus, with capitalism as its engine, is it not possible that different versions of modernity might also collide and converge to form a globalised singularity?

This dissertation is a statement on a specific but important aspect of Japanese modernity. It is an exploration of the relationship between the system of employment in large Japanese corporations and the principle work values of their male university graduate employees. Specifically, it is an examination of changes being wrought in one of the defining institutions of Japanese capitalism as well as of developments in the basic work consciousness of the core personnel within some of Japan's most powerful capitalist organisations. My academic purpose for conducting this project is, by studying the central institutions and ideologies of work in Japan, to make a contribution to discussions on the theoretical issues of the globalisation of capitalist modernity and socio-economic convergence. As such, therefore, this dissertation lies within the academic disciplines of sociology and Japanese studies.

## **Work in Capitalist Modernity**

Work is the most important social institution of the modern world and research in the sociology of work is thus central to an understanding of modernity. For in circumstances where pre-modern ascribed social roles and relations have almost completely disappeared, life in modern society compels all but the most resourceful to seek the satisfaction of their basic physiological needs through the wage relation. The exchange of labour for money, or paid employment, in a modern monetised society allows individuals to purchase food and shelter as well as provide security for themselves and their families. In addition, excluding entrepreneurs, the gifted, criminals, and those with independent resources, those who do not

engage in regular paid employment in the formal economy must ordinarily, through the mediating role of either the state or the family, depend on someone who is thus employed.

However, work in the modern world need not only be an instrumental means to physiological security through the exchange of labour for money<sup>iv</sup>. It is also indispensable to the achievement of a modern self-identity. The content of a person's work, the social and status relations external to the family determined and made possible by work, and the consumption and leisure opportunities opened up to an individual through the wage relation not only provide the principal means by which an individual can construct his or her identity, they are also the principal means by which a person's identity is unwittingly revealed as well as deliberately signalled to others. Unable to fall back on the security of ascription, the modern individual is compelled to actively pursue what Anthony Giddens (1992) calls "the reflexive project of the self". In other words, he argues, in conditions of high-modernity we contemporaneously aspire to and are compelled to seek self-definition through a self-conscious and reflexive construction of our personal identity. Furthermore, and particularly in modernity, involvement in work may also provide an opportunity for individuals to experience feelings of liberation, fulfillment, and deep enjoyment through the actualisation of productive and creative abilities and impulses (Csikszentmihaly, 1988).

Work is, in addition, a domain that is discrete and distinct from other spheres of life where human needs and desires might also be satisfied and values expressed. This may occur, for example, in sexual reproduction, romantic love and family relationships, in those pre-modern ascribed status roles that remain in modern society, through participation in voluntary and charitable activities, by membership of and active participation in clubs and associations, through hobbies, leisure, and consumption, through entrepreneurial endeavour or creative expression and even in unemployment or criminal activity. However, none of these activities alone, in contrast to paid employment, has the possibility of combining the physiological and psychological imperatives of satisfying such a complete range of human needs and desires with the social and economic exigencies of modern life.

Moreover, participation in non-employment related activities is extremely circumscribed should a person experience a sustained period of unemployment; our leisure and consumption are to a great extent defined by the type of work we do; family life is often severely disrupted or may even collapse as a result of the reduction in material resources and the psychological trauma caused by unemployment; and, as has already been alluded, only the most resourceful among us have the personal vigour, creative imagination, or private resources necessary to be either a successful entrepreneur, a creative artist, or a gentleman or lady of leisure. For the considerable majority of the populations of the world's modern societies only work, through the wage relation provided by paid employment, can combine the opportunity to satisfy such a broad range of physiological and psychological needs and desires with the necessities of living in a modern society.

Notwithstanding the above, it is also important to recognise that few people are likely to



be able, or perhaps even wish, to use work in employment as a vehicle for the satisfaction and expression of the full range of their needs, desires, and values. Examples of degrading conditions are legion and many are compelled by force of circumstance to struggle even to provide basic material comfort and security for themselves and their families. Further, boring or repetitive labour that requires little creative input is unlikely to result in feelings of satisfaction or psychological enrichment. Here lies, of course, one of the basic predicaments of capitalist modernity. Although we are compelled by the ideologies of liberty and self-determination to create our own individual characters and destinies, and we are seduced by the fiction of each person having an equal chance to participate in the race to achieve success in this endeavour, the structural requirements and limitations of a modern capitalist political economy prevent or inhibit a significant proportion of the people of the world's advanced industrial democracies, not to mention the majority of those living in developing countries, from doing just that. Nevertheless, in the modern world, even at this impoverished level, as Jahoda (1982) observes, only work in paid employment, as opposed to unemployment, provides the categories of experience necessary for the maintenance of an individual's mental health and sense of well-being.

... it imposes a time structure on the waking day; it enlarges the scope of social relations beyond the often emotionally highly charged family relations and those in the immediate neighbourhood; by virtue of the division of labour it demonstrates that the purposes and achievements of a collectivity transcend those for which an individual can aim; it assigns social status and clarifies personal identity; it requires regular activity.

Jahoda (1982: 83)

Even for the unemployed or those forced to work in trying circumstances, the compulsive ideology of modern life as a blank canvas on which one is free to paint one's own life-scape, and the centrality of work within that conceptual schema, holds such a powerful grip on the modern collective imagination that the disaffected are able only to voice their criticism through cynical negation. Positive alternatives to the apparently victorious march of capitalist modernity have withered away and a new vision has yet to appear. Criticism of Francis Fukuyama's (1982) rather depressingly fatalistic Nietzschean triumphalism may abound, but until the accelerating global advance of liberal democratic and capitalist modernity is checked by a more powerful force, his thesis stands<sup>v</sup>.

Thus, capitalist modernity and, within it, the modern ideology of work, are characterised by their tremendous transformative capacity, both through the visible changes that are wrought on the physical and material environment by the industrial and commercial process as well as the invisible transmutation of consciousness that engenders and is engendered by the reflexive construction of an entirely different way of life. Modernity, through work as its core

social element, defines itself in negation to the past and in its discovery of the future as a temporal territory to be colonised, constructed, and transformed (Giddens, 1990 and 1991). Thus, work, capitalism, and modernity are intimately bound together in a transformative embrace, each within the other, each acting on and reacting to the other. Without the institution of work, and in particular paid employment, modern life would be impossible in its present form.

## **Work Values**

If we can accept the proposition that modern life is inconceivable without a modern ideology of work, asking why one would wish to research work values might seem, at first glance, to be unnecessary. Indeed, most research implicitly assumes an objective validity in examining work values without raising questions as to its underlying purpose. In so doing it is often written anonymously in the third person and presented in an abstract scientific manner, practices which have a tendency to obscure the essential humanity of the researcher and his or her subjects as well as conceal the value laden priorities of researchers and their sponsors. Although the discipline of sociology must necessarily aspire to being value free in its method and methodology, the practitioner need not be, in fact cannot be and, perhaps, must not be value free (Berger, 1979). For, in a world where the contradictions and inequalities inherent in industrial and commercial development are becoming increasingly apparent, is it not essential that academic researchers take responsibility for the uses to which their work is put?

The enormous interest shown by researchers in work values, attitudes, and dispositions throughout the twentieth century has mainly been generated by the assumption that by studying the meanings and orientations that people bring to their work tasks we can in some measure predict economic and work-related behaviour (Furnham, 1982). Underlying this approach is the clear assumption that some values might have a positive relationship to productivity while others might have a negative relationship. Thus, it might be possible to manipulate the work context to maximise the impact of positively related values and minimise that of negatively related values in order that an economic benefit may accrue. Immediately, one is tempted to ask the question: for whose benefit is the assumed and predicted improvement in economic performance that may result from enhancing those employee values that are positively related to productivity? In these circumstances one might be forgiven for being suspicious that the researcher may not have the employees' best interests entirely at heart.

Even if this approach does indeed bring forth concrete and positive economic results, and these are shared equitably among all stakeholders in the enterprise, economic expansion per se is not supposed to be an end in itself. It is only important in so far as it provides the means by which people might lead more comfortable, happier, and more fulfilling lives (Oswald, 1997). While the spectacular expansion in the material well-being of the peoples of the world's most technologically advanced industrial societies over the past fifty years has no precedent in the entire history of the human race, and this has been accompanied by real and measurable

improvements in the standard of living of the majority of people in the developed world, can it be confidently asserted that personal happiness and fulfillment have increased in proportion to the advances in our material wealth? Notwithstanding the undoubted importance of the economic arena, are we not in danger of confusing the means for living in the modern world with its ends? The ultimate criterion by which material achievements are judged, surely, should be the degree of happiness, well-being and fulfillment that people are able to attain as a result.

It appears that much of the academic research on work values and related psychological phenomena is done with material enrichment in mind and often places the interests of employees in a subordinate position to those of management and owners. In so doing it also subordinates all concerns to economic and political priorities, thus contributing to a devaluation and a corruption of the legitimate social, emotional, and psychological needs, desires, and values of all stakeholders as well as of the nobility of the institution of work itself. While economistic and managerial approaches can make a justifiable claim to seeking improvements in working conditions for all employees, carrying on in the tradition of Elton Mayo's Hawthorne Experiments and the Human Relations Movement, the underlying and unspoken basis of these perspectives is to achieve real increases in material wealth for a select few. This may be a significant step forward from the harsh authoritarianism of Frederick Taylor's Scientific Management, but it continues to be as manipulative and to deny employees the opportunity to be considered a stakeholder in the enterprise as well as denying all stakeholders the opportunity to satisfy interests that go beyond the merely mechanistic and material<sup>vi</sup>.

Interestingly, and aside from the ethical issues, there is considerable debate even as to the validity of the assumption that sustainable productivity increases can be achieved by improvements in the working context and, thus, work satisfaction of employees. Intuitively it might be assumed that the relationship is in the direction of productivity but some research suggests that the causal relationship is in the opposite direction. At the very least, the relationship between the two variables is not at all clear. Reversing the presumed dependency, Paul, Robertson and Herzberg (1969), as well as Locke and Latham (1990), found that satisfaction tends to increase as a result of high but attainable challenge and performance. Moreover, Csikszentmihalyi and Csikszentmihalyi's edited volume (1988) points unequivocally to attainable challenge being the source of deep satisfaction in the process of task completion. Setting aside for a moment all ideological and moral criticisms, even if, as Sagie, Elizur and Koslowsky (1996) suggest, the causal relationship is reciprocal rather than simply in the direction of satisfaction alone, the rational economic validity of economistic and managerial approaches is itself questionable.

Moving closer towards a humanistic justification for this research project, if work takes up approximately one third of the waking hours of a mature adult for a period of, say, between thirty and fifty years, then it is perhaps trite to state that the quality of that experience will be of great importance to the participant. If education and preparation for the world of work, the impact of work on individuals' non-work activities and relationships, and the effects of work on

the length and quality of life after retirement are also taken into consideration then the importance of the work experience becomes yet more significant. Likewise, when the unambiguous consequences for people's life chances of structural inequality are combined with an increasingly global and complex division of labour in society, great variation in people's experiences of work and its outcomes can produce feelings of envy, exclusion, and even hatred, loathing, and contempt, with all the associated social repercussions of such divisiveness.

For, as the American economist John Kenneth Galbraith observed, people not only measure their quality of life in material terms, comparing this year with last, but also, particularly when this year is more difficult than last, compare their own material and psychological circumstances and rewards with others' (Galbraith, 1991 [1958]). An individual's evaluation of the quality of his or her experience of work will, primarily, be determined by how far the material and psychological rewards of work are commensurate with his or her needs, desires, and values. But it is also determined, in part, by whether those rewards are also commensurate with his or her expectations in relation to others' rewards. Thus, the study of work values ceases to be merely an exercise in finding ever more devious mechanisms for extracting greater surplus value from employees and takes on quintessentially human, social, and even political, requirements of its own.

## **Institutions and Organisations of Employment**

While the theory of personal agency suggests that people's experience of work depends on the demeanour they bring to their tasks it is also clear that the institutions and organisations of employment and their structure influence the degree to which individuals can satisfy their needs and desires and realise their values. As much as we are purposive individual actors we are also embedded in social structures (Granovetter, 1985). We are all, to a greater or lesser degree, active and reactive social individuals. Thus, while it is important to study the ideologies of work in order that we might have a greater understanding of how people wish to live in modern society, it is also crucial that we study this aspect of social life in the context of the character and structure of the institutions and organisations that enable and constrain our ability to achieve our objectives.

In addition to providing a presumed basis for the prediction of economic behaviour, it has also been contended that work values might be a causal variable in organisational, institutional, and social change (Meaning of Working International Research Team, 1987). It might also be presumed, therefore, that given the active and reactive nature of individuals in society, the reverse is also true; that institutional change might be a causal variable in affecting the development of one's work orientation. People not only develop meanings out of the work that they do but they also bring meaning to their work tasks and, thus, there should be a reciprocal relationship between change in both value systems and the institutions in which those values are played out in social life. Furthermore, it might also be presupposed that, if structures are incompatible with or contradictory to those meanings, working people may take measures to

alter the social or institutional constraints upon the realisation of their needs, desires, and values to gain a greater degree of compatibility. Thus, in order to understand the process of organisational, institutional, and social change we must study the relationship between institutions and organisations and the ideologies of the individuals of which they are comprised<sup>vii</sup>.

A large body of research in psychology, sociology, and political economy has been steadily accumulating for the past thirty years or so suggesting that, although material security remains a vital component of people's lives, once an affluent society has been achieved, what Inglehart (1997) calls "postmaterialist" values come to play a more active part in the formation of modern society. This research, moreover, also contests that in a materially developed society, economic growth produces only small or even negligible increases in overall happiness in comparison to the increases achieved in previous decades. Using data from large-scale social surveys such as the General Social Surveys in the United States and Eurobarometer, these researchers advance the controversial opinion, therefore, that governments and decision-makers in the advanced industrial democracies are attacking the wrong issues (Oswald, 1997).

An overwhelming amount of effort is being expended by the governments of the world's industrialised countries in trying to achieve sustained increases in the gross domestic product of their countries' economies. In fact, it may not be an exaggeration to state that the principle goal of the governments of the capitalist democracies has become the achievement of continuous increases in the material standard of living of their peoples. The presupposition that dominates this strategy is to assume that the good life will automatically follow from raising productivity and output. In addition, the principle aim of most capitalist enterprises, large corporations being the most egregious advocates, is to achieve increases in revenues, profits, and market share more rapidly than their competitors. What is the philosophical foundation for such an ethos? For, as has already been stated, continuous improvements in our material standards of living are generating diminishing returns as to happiness. Even if we take on a stoical disposition and discard arguments concerning personal happiness and fulfillment as sanctimonious frivolity, we are left with the simple but stark reality that, barring a quantum leap in our technological capability to deal with the rapid degradation of the natural environment, continued economic expansion, in the long term, is ecologically unsustainable and proceeding so rapidly that pricing mechanisms are completely inadequate to the task of finding a resolution of what is becoming the overriding global issue of the twenty-first century (Goldblatt, 1998).

Perhaps there is something in the nature of our institutions and organisations that as individuals we feel trapped within a self-regulating system that prevents us from realising our true nature as unique human beings embedded in a sustainable society. For as Max Weber contests in his most well-known and controversial work, *The Protestant Ethic and the Spirit of Capitalism*:

Man is dominated by the making of money, by acquisition as the ultimate purpose of

his life. Economic acquisition is no longer subordinated to man as the means for the satisfaction of his material needs ... the care for external goods should only lie on the shoulders of the saint like a light cloak which can be thrown aside at any moment. But fate decreed that the cloak should become an iron cage.

Weber (1976 [1904]: 53 and 181)

If correct, what does this say about the nature of industrial development, the institutional arrangements of market capitalism and liberal democracy, and their relationship with the human condition? Surely, if the course of industrial development runs counter to, and the institutional arrangements of the modern political economy constrain or restrict the achievement of our goals, goals which may be as much determined by our essential human nature as they are by personal agency, then, should we not question the validity of and seek to reform our social, economic, and political institutions and organisations so that they facilitate the achievement of our ideals and aspirations?

Research into the relationships between individuals and the institutions and organisations through which they channel their energies for the achievement of their hopes and ambitions, therefore, would seem to be an urgent priority. Moreover, as has already been argued, since work consumes so much of our energies, and is seen to be one of the most important vehicles for the realisation of our needs, desires, values, and expectations, is it not vital that we research the relationship between individuals' experiences and ideologies of work and the organisations and institutions within which work is conducted?

Accordingly, this research is a personal contribution to an emerging new way of thinking about the relationships between individuals, the institutions and organisations they construct in order to filter their needs and desires, and the nature of human aspirations as a new era in human consciousness takes shape around us. This is not a radical or revolutionary, but rather an evolutionary, departure from the dominant positivistic and economic rationality of the nineteenth and twentieth centuries. It is a contribution to a large subterranean but deep current of support for the notion that enough is enough, and that what is important is what Goldblatt (1998) calls the "qualitative texture of experience" rather than the ceaseless accumulation of more and more things. This dissertation, therefore, is also an impassioned addition to a growing movement that seeks to take control of human life and mould institutional mechanisms to the realisation of our basic nature not as economic animals but, rather, as both sophisticated biological organisms rooted in and dependent on the natural environment and purposive and distinctive individuals embedded in a complex global society.

### **Japan, the Lifetime Employment System, and the Japanese Salaryman**

Japan is an important challenge to Western assumptions about the nature of socio-economic development, its directions, and its possibilities. As the most technologically advanced and modern non-Western capitalist economy and democratic polity, Japan offers a special

opportunity to refine sociological theory and make it more generalisable and complete than is possible through a concentration on Western individuals and institutions (Williams, 1996a and Clammer, 1997). For although the West was the first region of the world to experience modernity and industrial development, and Western capitalist expansion meant that all subsequent forms of modernity are derived in part as a consequence of contact with the West, the Japanese example shows that, although the West will influence and give colour to the Japanese experience, capitalist modernity is no longer a uniquely Western phenomenon.

In 1945, after more than a decade of military conflict, Japan was exhausted and defenceless, most of her major cities had been destroyed, and her economic system had virtually collapsed. In 2000, even after nearly a decade of economic stagnation, Japan is still the world's premier industrial manufacturer and second largest economy. Such a transformation is a cause for celebration and satisfaction among the elites who have managed to steer Japan to a place amongst the world's most powerful industrial democracies. Yet, if one spends some time in Japan it is impossible to avoid the feeling that many Japanese people are not quite so sure that the progress their country has made over the past fifty years or so is such an unqualified success. Many know that their country is wealthy but feel that they themselves are not. High prices for basic consumer necessities, cramped, distant, and shabby accommodation, a relative lack of social amenities, polluted cities, and overdeveloped rural areas are frequent and, in my opinion, justifiable complaints among many Japanese people. Further, after having achieved the lofty collective ambition of being accepted as a full and equal member of the club of the world's richest and most powerful nations, many Japanese now wonder where they should go from here (Nakanishi, 2000).

With a consensus on the need for a fundamental reform of political, economic, and social structures taking shape, but as yet little agreement on how far reform should proceed as well as what is to replace the existing system, it would seem to be an opportune moment to observe the characteristics of socio-economic change in Japan from the perspective of refining existing general theories on socio-economic development. In particular, this project will examine the relationship between the basic work values of the core male workforce in large Japanese corporations and the principal institutions of their employment. For, if modern life is inconceivable without a modern ideology of work then it is crucial for an understanding of Japanese modernity that we make efforts to understand the ideology of work in Japan. Likewise, if institutions and organisations are the constructs through which people's ideologies are played out then it would behove us to research the institutions and organisations through which the ideology of work is channeled. In addition, within the accelerating globalisation of liberal democratic market capitalism, if the ideology of work and the institutions of employment in Japan are undergoing change then it would seem necessary to examine and discuss such developments in order that existing knowledge and theory keep pace with and reflect the complex reality of socio-economic development worldwide. Thus, I hope that this research project will not only make an original contribution to the understanding of the dynamics of

Japanese development but, in so doing, I hope this thesis will also contribute to academic debates concerning the nature of capitalist modernity and the related processes of globalisation and socio-economic convergence.

In Japan the ideology of work and the institutions of employment are dominated by the lifetime employment system in large corporations. Although a minority of the workforce is actually employed in this system it dominates the employment horizon. It is the system to which the secondary and tertiary education systems are geared and into which they feed their most successful and diligent students (Takeuchi, 1997 and Yano, 1997). The normative power of the system is such that, even in the dual labour market that characterises employment in Japan, small and medium sized enterprises must organise their recruitment efforts around the cyclical and structural requirements of large corporations (Nomura, 1998) and even provide some of the trappings of long-term security and welfare corporatism to attract and retain scarce high quality employees (Dore, Bounine-Cabale, and Tapiola, 1989). In fact, it would not be too bold to claim that the lifetime employment system in large corporations is the defining characteristic of the Japanese management system and can be regarded as the core institution of the Japanese firm. Within this system works the so-called salaryman, who, for the purposes of this project, can be defined as a male white-collar employee of a large corporation who is recruited upon or shortly after graduation from a four year college and who has an implicitly understood but not contractually guaranteed opportunity to remain either employed directly by the corporation, or at least in its care, until the mandatory retirement age. In this sense lifetime means for the working life of the employee.

While it is simplistic and reductionist to speak in terms of stereotypes, to the Japanese people the salaryman is more than simply a man in a suit who commutes to work on the train every morning and returns to his family in the suburbs late in the evening after a long day working at his company and, perhaps, drinking with clients and colleagues in a city centre hostess bar. He is the normative embodiment of Japan's spectacular economic success and, as such, he is a cultural icon and ideological model. Salarymen appear as lead protagonists in virtually all Japanese television soap operas and romantic dramas and whole series of *manga* comic strips, such as *Sarariiman Kintarou* and *Kachou Shima Kousaku*, are devoted to life as a white-collar male employee in a Japanese corporation<sup>viii</sup>.

Though the first known mention in print of the peculiarly Japanese term 'salaryman' was in 1925 when Yoshida Tatsuaki published his book *Sarariiman-Ron* (Theory of The Salaryman), by 1929 the salaryman had achieved his status as a cultural figure in the hit song *Koi no Maru Biru*, which celebrated the highly significant and symbolic construction of the Marunouchi Building opposite Tokyo Station. Yoshida defined the salaryman positively as a new and distinctive social figure by dint of his being paid a monthly salary instead of a weekly wage and of his possessing a high level of education. However, in 1928 Maeda Hajime wrote more negatively in his book *Sarariiman Monogatari* (Salaryman Story) that the salaryman could be identified by his willingness to do boring work for the benefit of senior personnel<sup>ix</sup>.



Nevertheless, it is in the post-war era in particular that the salaryman became one of the central, perhaps even the central figure, in the most significant episodes of Japan's post-war socio-economic development, from the achievement of sustained and rapid economic expansion and material abundance, through the urbanisation of society and nuclearisation of the family, to the hedonistic orgy of consumption in the late 1980s 'bubble economy' and the consequences of its collapse in the early 1990s. Further, in this period of restructuring of the organisations and institutions of the Japanese political economy, it is possibly the salaryman who is bearing the heaviest burden (Kameyama, 1995). Thus, we clearly cannot avoid him, his values, and the institutions of his employment if we seek to find some answers as to the nature of Japan's experience of capitalism and modernity<sup>x</sup>.

### **A Research Method for Japanese Modernity**

Social science now depends almost entirely for the philosophical foundations of its methodology and method on the legitimacy of the scientific method as developed by the physical and biological, or natural, sciences. There can be little doubt that quantitative and qualitative studies of various kinds that follow this method closely in their execution and presentation have revealed much about our social world and have enabled people from all walks of life to benefit from the decisions made and actions taken as a result of the dissemination of the knowledge acquired.

Thus, I do not intend to cast doubt as to the intellectual and academic validity of the hypothetico-deductive model that has as its fundamental principle Karl Popper's principle of falsification (Popper, 1972 [1959]). Indeed, this dissertation takes advantage of the huge quantity of research that has been conducted over the previous decades into employment structures and work values in Japan and elsewhere; research that almost invariably has approached the research process using the hypothetico-deductive model as its starting point. Furthermore, much of the empirical data collected in the course of the fieldwork for this dissertation was done with the hypothetico-deductive model as its underlying principal. That is to say, the researcher, on the basis of the prior accumulation of permanently provisional knowledge, develops hypotheses that he or she will attempt to falsify by accumulating empirical data. Once the empirical investigation has been completed the researcher can then present some new or modified hypotheses which can then be tested, replicated, modified, or falsified and so on.

Nevertheless, it is also clear that this model, although conceptually ideal, is rarely adhered to in its entirety by even natural scientists themselves in the day-to-day practice of their research (McNeill, 1989). It has long been known that while much science is set out as if it is conducted in an abstract scientific manner, both imagination and intuition as well as accident and plain luck all play a crucial role in the development, discovery, and dissemination of knowledge. More importantly, the precise order of hypothesis construction, empirical data collection, and further hypothesis development as a theoretical model remains just that,

particularly in the domain of social research.

Yet it is comparatively infrequently that scientists actually discuss these aspects of their research and report on them in the formal presentation of their work at conferences, in academic journals, and so on. This is also true in the social sciences, as Joy Hendry (1999) points out in her illuminating book on the practicalities of fieldwork. A description of a nine month anthropological field work trip to Japan, the book emphasises the role of chance in the acquisition of knowledge and also demonstrates how moments of insight can be embedded in a mass of everyday activity that may not be directly involved in or related to the actual process of empirical data collection.

Moreover, the process of writing and presenting research also has a direct and perceptible influence on the development of conclusions and hypotheses since it is at this stage that the researcher has to reconcile and organise into a rational and digestible package often contradictory, confusing, and disparate ideas and data. Consequently, flashes of inspiration and fortuitous circumstances cannot be confined to or eliminated from any part of the research process in a temporal sense and can occur at any time, often without warning in the dead of night. They are, nevertheless, no less valid for being thus.

Consequently, I feel it is important to explicitly alert the reader to both the research methodology and method adopted for this project. With the hypothetico-deductive model in mind I have pursued a programme of research which has, on occasion over the four years it has taken to complete, deviated from the mechanical process that the method dictates but which has not deviated from its underlying philosophical principle. That is to say, I have allowed flashes of inspiration to guide my thoughts, I have allowed blind luck to assist me in accessing respondents and resources, and I have allowed the process of writing itself to lead me in directions that I had not previously anticipated. However, I have also understood that the principle basis of my research has been to try to disprove the hypothesis that the Japanese lifetime employment system and the principle work values of the Japanese salaryman were changing in response to the globalisation of market capitalism and the achievement of material affluence.

In this sense, therefore, the project has both failed and succeeded. For, as the coming chapters will show, genuine change rather than mere adjustment is indeed appearing in the Japanese socio-economy, both in an institutional sense towards greater flexibility and fluidity of employment structures and in a subjective sense towards greater self-determination in and individuation of the Japanese salaryman. However, as this dissertation also will show, very long-term employment at a single organisation has not disappeared in Japan and neither has the affective relationship between the corporate community and the salaryman as an individual. Rather, it is an intensification of forces already present in the macro economy coupled to an attenuation of many of the socio-cultural structures, relationships, and ideologies that hitherto had given the Japanese people their sense of identity and belonging.

What appears to be occurring in Japan, therefore, is a gradual and somewhat painful

convergence on a global hybrid form of the Anglo-American system of liberal democratic market capitalism. The processes by which this is happening is through, first, a hybridisation of institutional structures in the war of competitive attrition that is economic globalisation and, second, a neutral convergence on a globalising form of self-absorbed individualism that is a consequence of the achievement of material wealth. In other words, on a corporate level, it is a capitulation to the expansion of market capitalism and, on an individual level, a consequent implosion of society and culture into the escapist mediocrity of narcissistic hyper-consumption.

### ***The Research Strategy***

Originally, through personal contacts and introductions kindly provided for me I was able to conduct interviews and obtain documentary data from five different corporations. Nevertheless, due to the quantity of data collected and the nature of the companies themselves I decided to narrow down the study to four. The fifth was removed from the study because it was a wholly owned subsidiary of a much larger company and because its size was significantly different from the other four. The remaining four companies are from different business sectors, they occupy different competitive environments, and all four have a reputation for not being pioneers in their sectors, thus being perhaps a stricter test of claims that the lifetime employment system is collapsing and Japan is converging on Western, or Anglo-American forms of industrial organisation and social life.

The first of these four companies, Company A,<sup>xi</sup> is an optical and associated high technology electronic products manufacturer currently employing approximately 6,700 regular employees. The second, Company B, is an automotive components manufacturer employing some 5,400 employees. The third, Company C, is a non-bank financial services company employing approximately 11,300 people and the fourth, Company D, is a regional utility of approximately 20,000 employees.

The method of entry and circumstances of data collection were different for each company and depended on my relationship with it, thus making direct comparisons difficult. I had been introduced to the first company during my MA course in Japanese Studies at the University of Essex. I approached it directly and requested to research there a second time. I was granted the request after an interview. For the second company, I was introduced to a director of the company by an academic contact at the University of Tokyo, where I was based at the time, and my request to research there was granted, again after an interview. For the third company I asked a personal contact to introduce me and make a formal request on my behalf. I knew my contact had high-level links with the company and, after a few weeks of negotiations, I was granted my request. I was introduced to the last company by my PhD supervisor at the University of Sheffield.

I interviewed between fifteen and thirty male university graduate white-collar employees of all ages and ranks at each company. I also interviewed at least one senior personnel manager and one senior union official from each company. All formal interviews

took place on company premises and were, apart from a handful of occasions where my respondent insisted on speaking English, conducted in Japanese. In all interviews with employees only the respondent and myself were present with confidentiality being guaranteed to all. In personnel department and union interviews there was often more than one representative from the company present, though at no time did I feel that this fact alone impeded my ability to gain information.

Each interview with the company employees lasted between thirty minutes and one hour and was a focused interview comprising questions related to the interviewee's family and educational background, application and entry into the company, progress through the company, attitudes to the employment system, work values and, finally, hopes for the future. Each interview with the personnel and union officers related to the formal and informal systems of recruitment, training, promotion, pay, rotation and labour-management relations at each company. In addition, I requested documentation regarding these issues. At each company I spent at least one week in interviews and data collection, although at Company D I was able to spend one month researching as well as stay throughout that time in a company dormitory for single male employees.

At each company I had an intermediary, or gate-keeper, to negotiate through. This person arranged interviews, collected data that I requested of him, and often related personal opinions and anecdotes regarding various issues to do with his company and its external institutional and social environment. Gronning (1997) describes how gate-keeper relations in overt requests to research at Japanese corporations can be difficult and obstruct the collection of accurate data but also she explains how attempts by the researcher to gain covert access, too, are fraught with operational, theoretical, and ethical difficulties. Both her's and my solution is to recognise the necessity of making compromises to maintain good relations and to try to minimise the pernicious effects of such problems by devising additional research methods that check or validate the data obtained in overt, often company controlled, research situations. Thus, in addition to the more formal company arranged interviews, I was able to arrange meetings with company employees independently of the gate-keeper. These more informal interviews were mostly conducted over food and drink in local restaurants and other locations off company premises.

I did not always get answers to my questions or the documentary evidence that I asked for and I occasionally met with a polite but firm refusal. However, I tried at all times to be open and friendly with all my respondents and not to appear to judge any of their answers. I tried to make them feel as comfortable as possible with me as a foreigner and sometimes rather inarticulate Japanese speaker and, on the whole I am pleased with the results. On only very few occasions did I feel awkward or sense that the respondent felt uneasy with me or that the respondent may not have been telling me what he believed to be true at the time.

In addition to the above in-company field research I collected newspaper and magazine cuttings from the late 1960s, mid-1970s and late-1990s<sup>xii</sup> and conducted background interviews

at related organisations such as the Japan Federation of Employers' Organisations (*Nikkeiren*), the Japan Institute of Labour (*Nihon Roudou Kenkyuu Kikou*), and The Japanese Electrical, Electronic, and Information Union (*Denki Rengo*). Moreover, through living in Japan for approximately two years during the period of data collection and writing up the dissertation I have been fortunate enough to meet or be introduced to a great variety of people and institutions who have been kind enough to grant me time for interviews as well as give me valuable documentation, information, and advice. Lastly, my own experience working for two years as a white-collar employee of a Japanese organisation provided, I believe, a deeper and more comprehensive and sensitive insight into the living and working conditions as well as the sensibilities of my salarymen respondents.

### ***Some Methodological Justifications***

There has been a very large quantity of data collected on business structures and the values and attitudes of employees in all developed countries. Japan is no exception and, on the contrary perhaps because of Japan's assumed distinctiveness, there has possibly been more material produced on Japanese corporations and employees than on any other country in the world. The Japanese government alone has at least four separate major government departments collecting data on an ongoing basis in this area of research. There are, moreover, a number of semi-governmental institutions, industrial associations, corporations and other organisations that collect data on behalf of their members. It is fair to say that the majority of the material that is collected and disseminated by these organisations is for instrumental economic purposes. Someone has to pay for the research to be conducted and it is not unreasonable that they have an influence over its direction and content. The majority of this material is quantitative and positivistic in its format and approach and I do not wish to duplicate any of this work. Indeed, I will quote extensively from some of it because it gives us some vital insights into the basic structures of Japan's business organisations and the opinions and beliefs of their members.

However, my purpose is also to discover the perceptions and beliefs that Japanese men have about their work situations and what they wish to accomplish from their work. In this sense, ostensibly objective measurement is not what this dissertation is trying to do. As such, therefore, it would seem more appropriate to develop a method that gives the respondents an opportunity to speak for themselves in their own words. Questionnaires are not a suitable method for this purpose since they tend to impose fairly rigid constraints on the respondents' abilities to express themselves. Thus, focused interviews, which allow for flexibility of expression might be a more appropriate research vehicle.

Moreover, my task is not to assess the proportions of employees who hold particular values or perceptions, in other words *representativeness*, for research into that issue has already been extensively conducted and presented elsewhere. In contrast, what this dissertation tries to do is to ascertain the *validity* for contemporary Japanese society of theoretical assumptions about capitalism and modernity through an in-depth qualitative investigation of the lifetime

employment system in a small sample of large Japanese corporations and the nuanced qualities of the values and perceptions of their salarymen employees. In this way I hope I can contribute to a further development of theories of modernity, capitalism, and globalisation.

Given the resource and opportunity constraints placed upon me by my own circumstances and by each company, I felt that focused interviews would be the most appropriate method of gathering qualitative data of this nature. The results presented in the following chapters, I feel, speak for themselves that this method was successful in elucidating from my Japanese respondents their feelings, values, and perceptions about the structures of employment of the large Japanese corporations at which they are employed and their own place within them.

Finally, although all research of this nature is in large measure a rationalised reconstruction of partial recollections coupled with incomplete documentary evidence, it does give us clues to the circumstances, feelings, thoughts, and values that motivate behaviour as well as giving us an insight into the ideological orientation of the subject as well as the biographer. This is also true for autobiographical accounts, for individuals, when describing the circumstances of their own lives and the bases of their own behaviour, often seek to persuade themselves in addition to the listener or reader of the rational foundations of their own behaviour. It is in the nature of the modern condition that not only do people wish and expect to be able to determine or influence their future careers, lifestyles, and identities, but they wish to be seen to be in rational and reflexive control of their lives, even if the actual circumstances of their internally generated decisions and, in addition, reactions to external circumstances, may not actually possess a strongly and intrinsically rational dynamic of self-determination. Thus, in terms of the research objectives for this project in exploring the nature of Japan's modernity, it is appropriate that importance is placed on what respondents actually say but consideration is also given for the cognitive and emotional bases for those statements. The following chapters, I hope and believe, will show that this has been done to the extent necessary to provide an original, deep, and sympathetic, though not uncritical, examination of capitalism and modernity in contemporary Japan.

## **Conclusion**

This dissertation's primary empirical purpose is to discern and interpret the relationship between the lifetime employment system in large Japanese corporations and the work values of their core male employees. I hope, as a result, to be able to interpret these in the light of theoretical discussions on the nature of capitalism, modernity, and globalisation and thence to make some judgments as to the quality of Japan's modern society. In this area of sociology, understanding the subjective perception and reflexive construction and reconstruction of events, motives, identities, and imagined and idealised futures of one's respondents is at least as important as the objective reality of people's lives. It is, thus, vital that the researcher has a basic intuitive as well as philosophical understanding of the complexities of the strategies

people adopt to make sense of their lives. The researcher can approach this thorny problem from a variety of different angles or perspectives. The way I have chosen is first through a discussion of the inherent contradictions between the ideals of scientific investigation and its actual practice in social research, second through a philosophical analysis of the relationship between the researcher and his or her subject matter, and third through an introspective analysis of my own perspectives and motives in approaching this subject and by using my own circumstances to illustrate and analyse the way people actively, reactively, consciously, and subconsciously negotiate their path through life and work in capitalist modernity.

All people have the capability to actively construct and determine aspects of their lives. All people also react to and negotiate with external social conditions and are constrained by them. In addition, all people actively reconstruct and refashion the events and motivations that make up the circumstances of their life. And, finally, all people also have the capability to escape into passivity and choose to be determined by external structures, events, and individuals. However, one of the vital qualities of modern life is how people make sense of themselves and their circumstances and the paths they choose. In modernity the individual wishes and is expected to be more active than reactive in constructing his or her identity, career, and life path. Moreover, in modernity the individual is and is expected to be reflexively rational not only in his or her behaviour but also in subsequent explanations for it.

However Japan appears, at first glance, to possess a different quality to its modernity. Ostensibly at least, Japanese people believe themselves to be more reactive to external constraints than active controllers of their own destinies. Does this mean that Japan is not completely modern, even though it is technologically advanced? As Japan develops further, and its institutions and structures undergo reform, how is the social and psychological character of Japan's modernity changing? If Japan is changing in fundamental ways, as many contemporary observers claim, is it converging on Western, or Anglo-American forms of industrial organisation and individuality, or evolving into an altogether differentiated form of capitalist modernity that is uniquely characteristic of Japan?

At the entrance to a new century it is tempting to look optimistically forward to new beginnings. This is even more so when one's present circumstances are not in accord with one's desires and expectations. The Western calendar is a comparatively recent adoption for the Japanese people yet they too are looking tentatively forward in such a manner to a new beginning for their economy and society. Mired in a stubborn structurally induced stagnation, there is a powerful consensus emerging among the Japanese people that the only solution is a drastic restructuring of macro and micro economic systems and the creation of a new more vigorous and dynamic economy and society. Government and industry appear to be taking some very bold steps for a national culture that suffers from the accusation of being risk averse (Hofstede, 1984). Moreover, both academic and media reports suggest that a sea change is taking place in the orientation of younger people towards a more vital and fluid individualism that places the reflexive construction of one's personal life-scape at the core of both the

Japanese self and modern Japanese culture (Clammer, 1997, Economic Planning Agency, 1996, Herbig and Borstorff, 1995, Nitto, 1993, Ohmae, 1995, and Sugimura, 1997). Thus, there would seem to be an inherent incompatibility between these developments and the psychological and emotional rigidity of lifetime membership of the corporate community.

There is no doubt that the organisation oriented ideology of welfare corporatism itself is under extreme strain, partly as a result of external pressures to the system resulting from the irresistible forces of economic globalisation and partly, also, as a result of the changing orientations of the Japanese people themselves. In his book on the Japanese and British Steel industries Harukiyo Hasegawa (1996) introduces the concepts of organic and contrived compatibility to describe the relationship between the corporate environment and the management system in the post-war Japanese economy. He puts forward the notion that in the high-speed growth phase that ended in the early to mid-1970s, Japan organised and experienced an “organic compatibility” between the two. However, once growth had slowed there developed pressures between the corporate environment and the management system that impelled management to adjust the system to maintain as much of the previous organic compatibility as they could within the changing business environment. Hasegawa described this later period as one of “contrived compatibility”<sup>xiii</sup>.

Applying this concept to this research project, it appears that the organic compatibility that was achieved between the needs, desires, values, and expectations of employees and management that accomplished a dynamic resolution of the labour strife of the early post-war years and which was indispensable to setting Japan off on the path to rapid and sustained economic development is now, after almost twenty years of contrived compatibility from the mid-1970s to the early 1990s, finally collapsing and imploding under the weight of its own incompatibility with the circumstances of a rapidly changing world. What is the nature of the relationship between the lifetime employment system in large corporations and the needs and desires of the Japanese workforce at the beginning of the new century? Is an entirely new compatibility beginning to take shape? If so, what does this new compatibility look like? Is it organic or contrived? Is there any similarity between any new pattern that might be emerging in Japan and the dominant Western, or Anglo-American, paradigm? What do the answers to these questions tell us about Japan’s journey through modernity?

The following chapters will present arguments as well as empirical evidence that suggest the period of contrived compatibility has come to end and Japan is now in the midst of an era of incompatibility which requires painful resolution through structural and institutional transformation. Moreover, as this transformation is now taking shape it is becoming clearer that Japan is converging very gradually on a global hybrid form of modernity that is dominated, but not exclusively so, by the Anglo-American model of liberal democratic market capitalism. That is to say, the forces shaping Japan’s path through modernity are generated both endogenously by the continuing development of Japanese society and exogenously by the apparently irresistible forces of economic globalisation.





## Chapter 2

# Japanese Modernity in Theoretical Perspective

CASSIUS: Why man, he doth bestride the narrow world  
Like a Colossus, and we petty men  
Walk under his huge legs and peep about  
To find ourselves dishonourable graves.  
Men, at some point are masters of their fates:  
The fault, dear Brutus, is not in our stars,  
But in ourselves, that we are underlings.  
Brutus and Caesar: what should be in that 'Caesar'?  
Why should that name be sounded more than yours?  
Write them together, yours is as fair a name.

**William Shakespeare**, *Julius Caesar*

What does modernity feel like? How can it best be described? Is there a family likeness that can be discerned when comparing different versions of the modern at different times and in different regions of the world?

Erwin Scheuch (1998) found eleven different definitions for modernity and concluded that the criteria for defining the term are so complex and controversial that it is hopeless to attempt to derive a statement that encapsulates all its features. Indeed, such a statement would be unavoidably reductionist and, in its tendency to generalise, would obscure and glaze over the idiosyncratic properties that each national or regional expression of modernity possesses. To conclude from Scheuch's work, therefore, researchers should perhaps focus on selecting the identifying features of modernity that catch or exemplify its structural universals and that in making such an attempt one should study both the macro and micro-features of social life in combination. Moreover, in order that the unifying concept of modernity itself should not become redundant and meaningless through an excessive concentration on differentiation, while taking care to recognise and incorporate into our discussions the unique features of each modern society, we must also grope toward discovering the commonalities that exist between them.

The most obvious and striking of the common features of modernity might be the physical manifestations of the technological developments that have taken place over the

previous hundred and fifty years or so. Developments in transportation and communications systems have transformed all aspects of our lives. It is not unusual in Los Angeles, Osaka or Birmingham for people to commute daily by car or train to work and back over a cumulative distance of more than one hundred miles. Air travel, telephone, and other electronic communications media mean that one can instantaneously do business with people living on the other side of the earth. Even intimate personal relationships can be conducted for extended periods using these means, as people are able to pursue careers in one region of the world and relationships in another.

However, there is no disputing that an inter-continental working and personal life is relatively uncommon in all modern societies and the majority of people might consider such lifestyles to be as alien to and remote from their own spheres of experience as those of the aristocracy in earlier times. Perhaps the elite members of the international political economy are indeed the new aristocracy in that not only do they appear to conduct their lives in a sort of inaccessible and glamorous stratosphere of unattainable wealth, they also possess the capability to radically alter other people's destinies through the ostensibly incontestable power of their decisions. Nevertheless, the working and living arrangements of the majority also are conducted in quite radically different ways to the pre-modern world. Work is performed in locations distinct, both geographically and ideologically, from the home, and the modern and international division of labour in society has resulted in a complex global matrix of social, economic and political differentiation that goes beyond ascribed social hierarchies and national boundaries.

The inside of our homes, too, has changed to the extent that our private lives are also conducted in radically different conditions. Indeed, the concept of a private life itself is a distinctly modern ideology since the ability to choose when to seclude oneself away from the family and community is a comparatively recent phenomenon in all modern societies. Moreover, apparently mundane developments such as flush toilets, clean drinking water piped directly into the home, separate bedrooms for children and parents, automatic household appliances and sophisticated home entertainment systems are all material manifestations of a modern lifestyle and, in addition are items of mass consumption common to all modern societies.

Thus, the material conditions of life in modern society have been transformed out of all recognition in the comparatively short period since the first railway lines were laid and the first factories built. More importantly, however, the physical presence of these items has implications deeper than simply making life cleaner, more comfortable and more convenient. They have consequences for the way we perceive the contexts and meanings of our lives and how we construct strategies for coping with and living in modern society.

In a very general sense, the shift from a comparatively stable and predominantly agricultural society composed of tight communities of extended families within a rigidly ascribed hierarchical social and political structure to a rapidly and permanently transforming

mass urban society of small households consisting of an assortment of shifting relationships within a representative and open political economy that enforces the ideology of self-determination and self-fulfillment is a no less significant development within the transformation to modern society. While the material conditions of life in the modern city today are a revolutionary departure from the pattern of rural and agricultural life of previous centuries, it is also the emotional, spiritual, and psychological aspects of modern society that have transcended traditional or feudal ideologies and which define us as who we are today. In a deeper sense too, the material and the psychological worlds cannot readily be disentangled. For example, the means to travel easily, cheaply and regularly over greater distances expands our choice of where we work, consume, play, and build relationships and this has consequences for our conception of the limits to our psychological and emotional growth and the definition and fulfillment of our aspirations and capabilities.

These are some of the most easily discernible consequences of the process of modernisation and its tendency, because of its relationship with capitalism, to globalise. Yet, even in conditions that appear to be so similar across the world, is it possible to speak of different versions of capitalist modernity? Tokyo and London are large international and multi-cultural capital cities with all the functions of government, commerce, industry, media, finance and so on, and they are modern cities in which individual people are born, live their lives according to their preferences and values and the circumstances that they encounter and then pass away. It can be reasonably claimed that strategies for coping with and thriving in modern Tokyo and London are more similar to each other than they are to life in either rural Wales or the mountains of Shikoku.

However, within the process of becoming modern and its globalisation are there discernible differences between national societies that are the product of historical and cultural circumstances and which give rise to different versions of the modern? Further, even if discernibly different versions of modernity can indeed be identified, is it not the case that a consequence of the globalisation of economy and society is that of a singular global capitalist modernity gradually emerging out of regional and national fragmentation and particularity? Thus, in searching for answers to the questions as to what modernity looks like and how it might best be described we must not lose ourselves in either the general or the particular but pay attention to each. While a single brief statement encapsulating all aspects of the modern is too much to ask for and, more to the point, in its extreme generality is also not very informative, a longer and more detailed examination of a single aspect of modernity might reveal to us both universals and particulars and, thus, be of more concrete use in augmenting our understanding of the complexity of the world in which we live.

## **A Theory for Modernity and the Individual**

While economists have tended to focus, quite reasonably, on the material processes and manifestations of modern life, and in particular on the capitalist process, it is one of the tasks for

sociologists to examine the relationships between individuals and the institutions and organisations that constitute modern society. Investigations of and reflections on the quality of this nexus will enable us to understand more completely the contingencies inherent in constructions of the modern self and how modern organisations, institutions and societies develop out of the dynamic interface between individuals, culture, capitalism, modernity, and globalisation.

Integral to this discussion, and probably the most influential treatise on modernity in the 1990s, is that of the British sociologist Anthony Giddens. The first of his two principal books on the subject, *The Consequences of Modernity* (Giddens, 1990), provides us with a theoretical statement of the nature of modernity at the level of institutions and his second, *Modernity and Self-Identity* (Giddens, 1991), does the same at the level of the individual. In sketching out a preliminary definition of the contours of modernity Giddens states:

As a first approximation ... “modernity” refers to modes of social life or organisation which emerged in Europe from about the seventeenth century onwards and which subsequently became more or less worldwide in their influence.

Giddens (1990: 1)

Explaining further, he states that although continuities might remain with pre-modern modes of existence, modernity represents, in a general sense, a fundamental discontinuity with previous periods in human history and is characterised most clearly and neatly by the sheer pace of change and its breadth of scope (Giddens, 1990: 6). Therefore, modernity sets itself up as a negation of the stability and continuity of the past and of the traditional order through the appropriation of reflexively ordered incoming knowledge and rationality and the establishment of the modern transformative order.

Inherent in the idea of modernity is a contrast with tradition. .... The routinisation of daily life has no intrinsic connections with the past at all, save in so far as “what was done before” happens to coincide with what can be defended in a principled way in the light of incoming knowledge. To sanction a practice because it is traditional will not do; tradition can be justified, but only in the light of knowledge which is not itself authenticated by tradition. ... this means that, even in the most modernised of modern societies, tradition continues to play a role. But ... justified tradition is tradition in sham clothing and receives its identity only from the reflexivity of the modern.

Giddens (1990: 36-38)

However, for Giddens, modernity is not an embracing of the new for its own sake, but the presumption of wholesale reflexivity, including reflection on the nature of reflection itself. That is to say, the reentry and mingling of social scientific discourse into the very contexts of its

analysis itself causes a reflexive restructuring by social science of its subject matter and, of course, the consequent reflexive restructuring of social science by its subject matter. Accordingly, the outcome of wholesale reflexivity is a feeling of unending uncertainty arising from the designation of all knowledge, relationships, and institutions as being permanently provisional, or in a constant state of potential revision<sup>xiv</sup> (Giddens, 1990).

Modern life, therefore, comes to be characterised by what Zygmunt Bauman (1995) calls an “endemic indeterminism.” For, the more individuals and groups are attracted by the possibilities of self-determination and self-construction that open out as a result of the gradual collapse of the traditional order, the more they actively and reflexively attempt to reconstruct and control their social world in the light of rationally revealed but permanently provisional knowledge. Consequently, this mode of life inevitably introduces the elements of trust and risk. Trust because automatic and unthinking, or non-reflexive, reliance on traditional modes of life is impossible in modern life and people must depend on, or trust, rational expert systems and unfamiliar persons for even the simplest of life tasks. Risk because, “No matter how well a system is designed and no matter how efficient its operators, the consequences of its introduction and functioning, in the context of the operation of other systems and of human activity in general, cannot be wholly predicted” (Giddens, 1990: 153). Thus, modern life, as Giddens (1990) points out, feels much like we are riding a juggernaut that threatens at any moment to career out of control and destroy us all.

In these circumstances of what Giddens calls a reflexive, radicalised, or high modernity appear the institutionalisation of doubt as well as fundamental problems of ontological security and existential anxiety, which in turn result in the potential for a feeling of personal meaninglessness. Ontological security refers to the confidence that people have in the constancy of their own identity and surroundings and, therefore, central to an understanding of modernity is an appreciation of the psychological problems arising out of the collapse of certainty in traditional systems of knowledge about the world and traditional orders of hierarchical and external ascription. The resolution to this psychic problem of the disembedding from traditional structures requires what Giddens (1991: 9) calls a “reflexive project of the self” to generate programmes of self-discovery, self-mastery, and self-actualisation for which the individual is solely responsible.

Thus, Giddens (1991) goes on to explain, the search for and the discovery of self impacts on us all and invites individuals to actively intervene in and transform their internal and external world through future oriented life-planning and the acting out and continuously reflexive revision of those plans in social life. In these circumstances the notion of lifestyle assumes a particular significance as individuals are forced to negotiate choices which are increasingly important in the construction and constitution of self-identity. This reflexively organised life-planning also presupposes risk calculation through contact with rationally constructed systems of expert knowledge, for example in choosing career paths or obtaining and negotiating health and personal services. In this way the institutional reflexivity of modernity

individualises the participant as it penetrates and transforms the core of the self. For the ideology of modernity is characterised by the belief that one's individual self-identity is no longer externally determined or staked out by the traditional order but must be explored, constructed and transformed as part of the reflexive process that connects the personal, the institutional, and the social.

A person with a stable sense of self-identity, therefore, must acquire a feeling of possessing a rational biographical continuity that can be grasped reflexively and communicated to others. Identity comes to be found in the capacity to maintain a sense of narrative and, in a world of lifestyle options, strategic life and career planning, thus, achieves a crucial role. Life-plans come to constitute a substantial part of the reflexively organised and linear "trajectory of the self" (Giddens, 1991). Individuals are gradually less able to choose to live passively according to externally determined demands and increasingly are compelled pro-actively to enact in society a pre-determined and continuously reflexively administered life-course.

An intrinsic part of the construction of this rationally contiguous biography is the reflexive monitoring of action, or the deliberate connection of motives, actions and results in an endlessly repeating cycle that moves through ever more challenging, more absorbing, and more vivid stages, or thresholds, of experience. Motives are the "well-springs of action" (Giddens, 1991: 63), which are themselves connected to the construction of identity through the acting out of one's strategic life-plans. Further, the moral thread connecting motives and identity through life-planning is the principle of authenticity, or being true to oneself. Thus, Giddens argues, if successfully achieved, the end result of connecting motives, actions and results by the thread of authenticity through ever deeper and more complex experience thresholds and life stages is a rich feeling of what Abraham Maslow (1987 [1954 and 1970]) referred to as "peak experiences" and "self-actualisation" or what Mihaly Csikszentmihaly (1988) calls "optimal experience" or "flow".

But motives do not exist as discrete psychological units (Giddens, 1990). They are an underlying state of feeling and imply a cognitive anticipation of a state of affairs to be realised in the future and this brings us to another important aspect of modernity that Giddens, among others, takes up. Modernity is oriented to the future whereas tradition is oriented to the past. In addition to reflexively preserving existing structures of power and learned dependency, traditional systems gear themselves non-reflexively to protecting the meaning and legacy of the past through the repetition of both custom and the life-cycle of the generations. In Giddens schema the possibilities inherent in modernity open up a linear consciousness towards time, or the lifespan, where the future becomes a territory, or a vista, to be colonised in the present through reflexive and strategic life-planning. Life becomes full of the possibilities of realising one's authentic self in the future through the actualisation in self-determined experience of one's true nature. Modernity is thus a profound change in the temporal structure of human experience. Time, self, and life are to be mastered. Central to the ideology of modernity,

therefore, is the process of individuation and self-determination whereby the individual's biography becomes a reflexively planned and rationally contiguous story consisting of active and purposive growth and transformation culminating, ideally, in the psychological end-state of authentic self-actualisation.

It is in this process of individuation, subjectification, and self-construction of identity where the characteristics of modernity are most clearly identifiable. For, at the base of modern conceptions of life is the principle of reflexive rationalism which, like a rust, corrodes the supporting structures of the edifice of the traditional order. We are left with little to substitute for the certainties of the past and are condemned to be free to determine our own nature and, thus, our own destiny. Out of the ambiguous void created by the retreat of ascription and withdrawal from tradition emerges the image of an individually planned and determined, and an actively constructed and continuously reconstructed trajectory of personal identity and biography.

Thus, is it not reasonable to suggest that if work is the principal means by which individuals in modern society are able to put into concrete effect their needs, desires, and values, then active career planning and management as well as control and self-determination of one's work have become vital tools for the achievement of self-actualisation and an authentic self-identity? For, has not work as the principal mode for self-definition and personal identity formation become a normative condition in modern society? Would it not, therefore, be reasonable to suggest that complex, fluid, and dynamic labour markets and work organisations as well as an open, liberal, and tolerant institutional framework and ideology would be essential if self-actualisation is to become a real possibility rather than simply an unrealisable ideal? For without the opportunity to make experiments in living that such an institutional framework facilitates, people will be unable to develop their cognitive abilities and experiences to the extent that they are able to understand themselves deeply enough to make the informed and mature decisions that are necessary to being able to construct an authentic identity and experience the state of self-actualisation. Further, they would also be unable either to rectify any mistakes that they may have made in their choice of career and life path or to move on to new and higher thresholds of experience once they find they have exhausted the possibilities that exist for personal growth within their present occupation, organisation, or situation. Finally, would it not also be possible that, in a society such as Japan, where labour markets and institutions have the reputation of being rigid and closed, there might exist an incompatibility between the ideals of modern Japanese individuals and the structure of modern social life in Japan as well as an incompatibility between our academic understanding of the concept of modernity and its substantive expression in Japan?

Giddens's description of identity and modernity is, perhaps a little optimistic as he neglects to draw a clear boundary between the unilateral construction and determination of modern institutions and ideologies that elites undertake for themselves and then thrust upon a somewhat unwilling and dependent mass society. Bauman (1995) describes a more realistic



version of modernity and its consequences. For Bauman the endemic indeterminism of modernity leads, paradoxically, to a desire by the masses for a new level of certainty and stability. However, the restlessness of modernity and the pace and scope of change are characterised by the search for an order which cannot be secured. The ideology of identity construction is experienced as a reactionary urge to fill the void vacated by the disappearance of the certainties and externalities of the pre-modern period. Thus, for Bauman, individuality as expressed in the compulsive need to construct one's own identity is experienced as the modern predicament as well as a modern liberation.

Who am I? Where shall I live? What shall I do with my life? These are all, for the majority of those of us who live in modern society, fundamentally problems to be solved rather than opportunities to be celebrated and exploited. Bauman goes on to explain this idea more explicitly through a periodisation of experience. Elites were the first to be cast into the choosing mode and the masses were spared it, with the consequent development of a relationship of domination and dependency. The two responses to the modern identity crisis were, thus, the individuation of self-determination and the communalism of fictive or contrived collectives such as the nation and the corporation. The globalisation of market capitalism, however, is now tearing up the ideological foundations of even these communities in its incessant push towards the polar opposites of hybridisation and individuation.

Moreover, not only has the ideology of identity choice been forced upon the dependent to some extent against their will, the ideology itself is a fiction that can only fully be realised by the few. For, while the dependent have been forced to subscribe to the totalitarian ideology of modern identity construction, most are prevented from achieving full participation in the modern world by the very forces of modernity and globalisation that were supposed to release them from the chains of the ancien regime. Maximum flexibility for self-construction of identity for the elites in the developed world necessitates at least some inflexibility for the masses and those in the developing world. That is to say, the elites require the masses to accept and believe in the ideology of choice in order that cynicism and disillusionment not collapse the edifice of modern self-determination from within. The structural conditions enforced by competition in market capitalism require that, even if the majority fully subscribes to the ideal of limitless self-construction, most are condemned eventually to feel that they have, in one way or another, failed. Into this arena enter the media conglomerates sponsored by the trans-national corporations through their proxy the advertising industry, and one can see the gradual and inconspicuous, but unplanned, formation of a new and global mode of ideological subjugation of the many by the few. As John Clammer (1997) so perceptively asks, has seduction, therefore, replaced repression as the principal form of social control, manipulation, and domination for modern life?

### **Tradition and the Self in Japanese Modernity**

How does Japanese modernity fit into this schema? For if there are questions as to the suitability of Western constructs for explaining the Japanese experience then these need to be asked and

the answers incorporated into a working theory that then needs to be looked at in the light of empirical investigations. Two areas of difference are important in the context of this dissertation. First is the problem of the incorporation of tradition into Japanese modernity, and the second is the concept of the relational and dependent self in Japanese society. For if modernity equates in essential measure to the withering away of tradition and Japan actively incorporates tradition into the fabric of its development then can Japan confidently be called a modern society? Second, if individual reflexive self-construction is central to the ideology of modern society and the Japanese self depends to a large extent on external conditions for its realisation in social relations then, again, can Japanese society be considered truly modern?

### ***Tradition in Japanese Modernity***

Giddens's work on modernity, a little unfairly in my view, suffers from the accusation that it is ethnocentric. In his theoretical examination and description of the particularities of Japanese modernity Clammer (1995) throws up a challenge to what he refers to as the "universalist pretensions" of Giddens's rendering. The central thesis of Clammer's study is that Japanese modernity exhibits quite different characteristics to those which exist in the West and that Japan, as a non-Western though materially developed society, is a unique and powerful challenge to the preoccupations and epistemology of much conventional sociological and cultural thinking.

Clammer sees the maintenance and management of tradition as an essential ingredient of Japanese modernity and criticises what he calls Giddens's "unargued assumption" that modernity is fundamentally a post-traditional order. Concurring with Maruyama (1965) that modernisation is disruptive for the individual in that he or she is emancipated from traditional bonds Clammer contends that Japanese modernisation has perhaps proceeded more quickly and more successfully precisely because tradition was reflexively and actively incorporated into the development effort. In Maruyama's view, for example, the incorporation of the traditional paternalistic family, or *ie*, ideology into the modern business organisation and the national economic strategy has been a comparative advantage in Japan's modernisation. Giddens's reply might be that a strategy of using tradition in a rational and purposive manner is simply "sham tradition". However, it cannot be denied, first, that in order for the strategy to work rank and file employees had to subscribe to the ideologies of managerial familism and welfare corporatism in a non-reflexive and received manner and, second, that managerial familism itself was invented as and became a non-reflexive tradition and has been preserved, against powerful rational arguments for its abandonment.

Andrew Gordon's (1998b) historical examination of the invention and use of industrial paternalism as a traditional ideology describes well the seductive capabilities of various elite groups in achieving and maintaining dominance through appealing to the communal sympathies of the masses. Nevertheless, although managerial, union, and government leaders actively and purposively incorporated traditional structures into their construction of the modern Japanese

corporation in the interests of furthering Japan's modernisation project (Gordon, 1998b and Vlastos, 1998), many rank and file employees certainly internalised a genuine belief that their corporation was and perhaps is a traditional structure incorporating an authentically Japanese traditional ideology.

Moreover, there are powerful arguments to suggest that the incorporation of the *ie* ideology into the corporate system was not solely the result of a strategy devised by Japanese management to nail down scarce and unreliable skilled labour to a single workplace, as in Hazama's (1997 [1964]) and others' view, but was also an emotional and subconscious attempt to cope with a rapidly changing and confusing environment through an application of experience, knowledge, and culture through a process of "cultural modeling" (Ashkenazy, 1996). This seizure, transference, and then adaptation of a practice or ideology from a previous social milieu is valuable for the sake of efficiency and organisational strength because of its familiarity. But it is not simply employed in a reflexive and pro-active manner for rational economic reasons but also in a reactive or defensive and unconscious or instinctive manner in order to establish zones of comfort in response to confusing and unfamiliar developments in the external environment. For as Eric Hobsbawm (1983) states, the purpose behind the modern invention of tradition is to establish a suitable link with the past for the sake of preserving familiarity in continuity and, thus, occurs most often during periods of rapid and profound transition.

In a general sense, of course, all tradition is invented but the more important questions surely are; by whom is it invented, when, for what purposes, and what were its effects (Vlastos, 1998)? No doubt there were instrumental and forward looking objectives involved on both sides of the labour-management divide at the time that managerial and national familism were invented as traditional ideologies in Japan. However, there were also on both sides, and continue to be, powerful emotional and backward looking reasons for holding onto familiar ideologies at a time of confusion, insecurity, and profound material transformation. Does this indicate, therefore, that genuinely traditional systems can be re-embedded into a modern Japanese cultural fabric and become important to the modern Japanese world view in and of themselves, thus partially overcoming Giddens's somewhat restricted interpretation of the meaning and role of tradition in modernity?

### ***The Japanese Relational Self***

Again in Clammer's description of Japanese modernity, the emphasis in modern Japanese life is on the social nexus rather than on developing the individual. For Clammer the Japanese self, while reflexive, is also relational, which leads to a greater closure of social life. That is to say, risks are greatly moderated by ongoing relations of interdependency leading to less personal autonomy and less discourse about authenticity and self-actualisation. Such a society, although possessing a deep sense of practical reason in the application of technological developments to the problems of everyday life, emphasises the particularistic, personal, and emotional as

normative guides to behaviour over and above the universalistic philosophical reason and individualistic rationalism of the West. Clammer claims that Japanese society is thus more realistic in its understanding of the human condition but that it is also profoundly utopian in character in its search for a genuinely humane solution to the dehumanising and alienating potentialities inherent in modern urbanism and capitalism.

Loiskandl (1998) goes further than Clammer in this regard to contend that if the Japanese psyche “knew an original sin it would probably be that of individualism.” For Loiskandl, Japanese thought is based on “trans-rationality” where the search for beauty and harmony can be equated with the Western search for rationality. More weight is given to group consensus in decision-making and the Japanese prototype for the ethical person is one with a strong sense of loyalty to others rather than the lonely angst-ridden philosophical hero possessed of intellectually derived universalistic ethical principles. Further, while Western ethics concerns itself with the Socratic dictum of the “unexamined life” not being worth living, the Japanese system proposes a sacredness of experience and aesthetics that transcends the rationalistic surgical scalpel of Western reflexive analysis (Clammer, 1995 and Loiskandl, 1998). Again, according to this critique, the Japanese have been able to transmit, adapt, and use to their advantage value orientations from an earlier era into modern times.

Clammer’s description of the shifting, contextual, and relational Japanese self is not new and has by now become one of the standard interpretations of Japanese social psychology. For example, Hamaguchi Eshun (1982) contended that the basic principle underlying Japanese society is that of “*kanjinshugi*” or “relationalism”. Hamaguchi’s Japanese society is neither the society of individualism nor of complete, or perfect, communitarianism. However, Hamaguchi does appear to lean towards the communitarian in his descriptions of the priorities of the Japanese self. He describes a society of interconnectedness between the self and the collective where the location of the most significant part of the self is in the area between interrelated selves that can be called society or community.

After having lived in Japan for more than seven years now, it is hard for me to accept completely Clammer’s description of the modern Japanese relational self. Japanese society appears to me to be relational, emotional, and flexible if one possesses power and status, if one is rich, or if one is able and prepared voluntarily to subscribe and conform to others’ expectations and the singular normative model for living. It can sometimes be frustratingly and disappointingly uniform, procedure-bound, unsympathetic, and inflexible for the weak, the poor, or the distinctive. By way of example, Plath’s (1983) edited volume of life-course studies of various Japanese individuals and groups challenges the generally accepted view of the Japanese submerged self and leaves one with the feeling that the group works best for those that have the task of making decisions that have consequences for others. In both Skinner’s (1983) and Noguchi’s (1983) essays in the same volume the ideal career path that is set down in the ideology of the group centred corporation is seldom realised in practice. Uncertainty and anxiety are extremely high for those individuals who are at the mercy of senior managers and central

government bureaucrats who often manipulate the system to ensure continued security for themselves and their cadres at the expense of loyal, hard-working, and expectant company employees' interests. It seems, in these examples at least, that the ideology of the Japanese group centred social or corporate unit functions more completely and flexibly for some than it does for others!

Nevertheless, despite these reservations, Clammer correctly identifies in Japanese conceptions of the self an important challenge to the Western epistemology of modernity. If identity lies at the centre of conceptions of the modern and if the Japanese relational self is so very different from that of the West then the challenge that Japanese society poses to sociologists is indeed a powerful and intriguing one<sup>xv</sup>.

However, it may also be the case that, as a result of the achievement of a developed economy and society and the external pressures arising from the process of economic globalisation, the Japanese self is itself undergoing a profound transformation of the sort that renders standard interpretations obsolete. If this process is occurring, how can we include it in terms both of our understanding of the Japanese self and of our understanding of modernity as a global social phenomenon?

Before discussing contemporary social change in modern society and recent developments in the relationship between self and society in Japan, we must first examine the historical circumstances of the emergence and evolution of modernity in the West and its later appearance and development in Japan. Through this approach it is possible to demonstrate that the Japanese experience has been historically distinctive and that this may have influenced the formation and character of contemporary Japanese modernity.

## **Modernisation in Europe and Japan**

It is now widely agreed among historians and sociologists that the fulcrum around which the transformation from a medieval to a modern society in Europe turned was the twin cultural revolutions of the Renaissance and the Reformation. Although debates continue as to how far back the roots of this transformation lie it is not until the seventeenth century that these revolutions had overcome religious and political suppression enough that its spread could confidently be asserted as heralding a sea change in human consciousness.

This thesis was first put forward forcefully by the German sociologist Max Weber (1976 [1904]). Although Weber's work remains controversial, his main contribution to sociology is in making a formal and causal link between cultural values and the organisation and development of society or, more specifically, between ascetic and reflexive rationalism and modern bureaucratic capitalism. Although Weber fully recognised the interpenetration of culture and economy, he posited that cultural values mark out the parameters or possibilities for social and economic development. As a part of this general theory he specifically attributes the rise of modern capitalism in Europe to an elective affinity between it and the Protestant ethic. He goes on to expand this idea into a general hypothesis on the rationalisation and

bureaucratisation of all areas of social, economic and political life and the enslavement of all participants within what he called “the iron cage” of rationality, regardless of whether they continue to, or ever did, believe in the religious principle of predestination. Towards the end of the book he describes it thus:

The puritan wanted to work in a calling; we are forced to do so. For when asceticism was carried out of monastic cells into everyday life, and began to dominate worldly morality, it did its part in building the tremendous cosmos of the modern economic order ... Victorious capitalism, since it rests on mechanical foundations, needs its support no longer .... The idea of duty in one’s calling prowls about in our lives like the ghost of dead religious beliefs.

Weber (1976 [1904]: 181-182)

Weber’s basic argument identifying the foundations of capitalist modernity as lying in the cultural and religious revolution of the Reformation has considerable explanatory power. As such this was a revolution in consciousness originating from below in the subversive religious teachings of Martin Luther and John Calvin and developing and evolving as it spread throughout north-western Europe and then to North America. Nevertheless, Weber was careful to describe that the subsequent emergence and expansion of capitalism was an unintended consequence of a specific religious and cultural orientation to the material world.

Beginning with and occurring alongside these cultural changes there were, in addition, philosophical developments that provided the intellectual conditions for the growth of reason, secularisation, and instrumental rationality that formed the foundations of the enlightenment, modern science, and the birth of modern capitalism. The culmination of this firmly placed humankind at the centre of the known universe for the first time since classical antiquity and caused Europe to pass through a series of social, political, and economic revolutions that rooted themselves in social mobility, industrial development, capitalist markets, rational bureaucracy, the consolidation of the nation-state, liberal democracy, and which ultimately fostered a conception of the modern person as an essentially autonomous and reflexive individual (Tominaga, 1990 and 1998). The seedbed of Western modernity, therefore, was a transformation of consciousness; the belief that at the center of the universe stands the individual and that the individual has the capability to guide, if not determine, his own destiny<sup>xvi</sup>.

Japan’s development into a modern capitalist economy and society, however, followed quite a different path and this leads us to contemplate the possibility that Japan’s modernity, as a result, may exhibit some different qualities from those which exist in Western societies. Tominaga (1990 and 1998) posits the quixotic idea that Japanese society followed precisely the reverse path of modernisation to that of Western Europe and that this has resulted in social life in Japan possessing quite different characteristics. Below is a brief summary of his thesis.

When Japan was confronted by the superior military power of the West in the middle of the nineteenth century, the course of action chosen by the Japanese elites, after much internal debate and some strife, was to agree to Western demands to open up to trade and embark upon a defensive and reactive policy of rapid national strengthening through industrial development, or what Maruyama (1965) called “purposive modernisation”. Contrary to conditions in Western Europe, economic modernisation in Japan did not occur subversively from below in an ad hoc manner as a result of the activities of reflexive, pro-active, and autonomous individuals who were steeped in the cultural, social, and political transformations of the Reformation and beyond. Economic modernisation was imported into Japan from the West and enforced methodically and comprehensively by the new Meiji government from above precisely because Japan’s new elites did not want Japan to become like the West in a spiritual and cultural sense.

Tominaga accepts the basic Weberian proposition and, further, divides the social system into the four Parsonian<sup>xvii</sup> components, or sub-systems, of economy, politics, society, and culture. According to this schema European modernisation occurred with a modernisation of the cultural sub-system first and then progressively that of society, politics, and the economy. However, Tominaga contends that Japan, on the other hand, because of the peculiar circumstances of its seclusion and enforced opening, modernised along precisely the reverse path. Not only was economic modernisation a policy instituted first in a planned and deliberate manner by the new Meiji government, the people of Japan were psychologically, emotionally, and culturally somewhat unprepared for the requirements of the industrial age in terms of their semi-feudal consciousness and were educated and persuaded to accommodate to economic modernisation and then to embrace it. Tominaga then goes on to explain how the process of modernisation in Japan encompassed the political and then the social sub-systems through the tumultuous events of the twentieth century. However, he also suggests that if cultural modernisation means the rationalisation of religious thought, because religion is the foundation of culture, then Japanese society has yet to achieve cultural modernisation because there never has been a functional equivalent of any real significance to the Protestant Reformation in the Japanese religious system. Modern thought came to Asia not as a result of indigenous religious and intellectual developments but through the selective importation of Western technological and scientific developments by the Japanese elites for instrumental economic and military purposes. Following and accompanying this development, more by default than by design, came the ideas of the European Enlightenment and the discourse of modern Western social science. Thus, if the Japanese people have yet to experience a cultural modernisation then it is possible to assert that Japanese society is still pre-modern in one of its basic components.

There is no doubt that the Meiji elites and their descendants sought to limit or contain the penetration of Western ideas into Japan through the policy of “*wakon yousai*”, or by combining Western technology with the Japanese spirit and, later, a particularly aggressive form of somewhat atavistic nationalism. No doubt they were aware that such a policy had its limitations, but nevertheless their basic approach to the perceived threat to the Japanese way of

life from Western culture has been one of defensive, and at times offensive, retreat.

Though Tominaga's thesis is very persuasive, given the enormous changes that had been proceeding throughout late Tokugawa society, it is difficult wholeheartedly to accept his contention that Japanese economic modernisation could have taken hold so comprehensively and so rapidly from the Meiji period onwards upon such a *tabula rasa*. There were powerful forces for change and modernisation building up within all sections of Tokugawa society even before the arrival of Commodore Perry's Black Ships. For example, Thomas C. Smith's (1959) scholarly account of agricultural change in the Tokugawa period shows clearly how the steadily increasing power of agricultural markets caused a gradual hiving off of economic rationality from the social sphere such that he feels able to claim:

These changes, however, were of great importance for Japanese history, perhaps justifying comparison with the agricultural revolution in Europe. ... their central feature was a shift from cooperative to individual farming.

This change is easier to describe than explain, but if one of its causes may be singled out as especially important, it must be the growth of the market, with all that implies about changes in men's ways and ideas. More than any other influence the market lifted economic life in the village out of the context of traditional social groupings. Economic exchange ... became increasingly independent of social organization and created values of its own.

... Thus the power of status, traditionally defined, was greatly reduced, and new routes were opened to social position and political power.

Smith (1959: ix-x)

In addition, Tominaga's interpretation of the order of European development, while admittedly deliberately schematic for the purposes of explanation, could, perhaps, take greater account of the role of structural developments that presaged the emergence of capitalism, particularly in England, and the overlap and interweaving of the cultural, social, political, and economic forces at work even before, but certainly after, the Renaissance and Reformation. These changes included, for example, the social and cultural dislocations following the series of plagues in the mid- to late-fourteenth century that provided the impetus for gradual but dramatic changes in Europe's social, agricultural, and urban life<sup>xviii</sup>. Moreover, the earlier appearance of industrial capitalism in England owes much to structural social, economic, and political developments over the whole period of the middle ages. Therefore, one can argue that the seeds of England's modernisation can be traced even further back than the germination that was the twin cultural revolutions of the Renaissance and Reformation. It is important to recognise that the Renaissance and Reformation were not just a new beginning in Europe but also were as much a culmination of the processes that preceded them as they were the start of an altogether new construction of reality.



More importantly, however, can we now confidently assert that religion continues to be the basis of culture in contemporary developed society? What if religion, in the sense of it being the cultural logic of mysticism and faith, ceases to be the basis of culture in both the West and Japan and comes to be either supplanted or simply marginalised by the cultural logic of another ideology, or combination of ideologies, such as for example market capitalism, scientific rationalism, and or secular humanism? In this scenario there would be a real and genuine case for a reinterpretation of the idea that Japanese society is pre-modern in one of its basic components and that Western and Japanese modernity are distinctive from one another in a categorical or even qualitative sense. For is it not the case that religious imperatives are losing their capacity to guide people's thoughts and behaviours and these are being replaced by the logic of the market, of science, and of the self-constituting subject in society?

Tominaga's thesis, as a broadly schematic representation, is sound in so far as it identifies the crucial differences among the distinguishing characteristics of European and Japanese modernity due to the differing historical and cultural circumstances of the process of modernisation and its catalysis. However, it is a little too neat in its explanation. Neither European, but particularly English, nor Japanese feudalism, were as static as some scholars would have us believe and neither were European nor Japanese modernisation and modernity moulded from fresh clay. The structural interplay of social, economic, political, and cultural forces and their weaving in and out of each other through history in a complex process of mutual cause and effect was more complete, long ranging, and significant than Tominaga accepts. Further, and perhaps most significantly, the cultural logic of contemporary capitalist modernity itself may be categorically and qualitatively different and, moreover, as it globalises and hybridises both the institutions and individuals that make up society, are we not witnessing the emergence, throughout the developed world, of a new global hybrid modernity?

### **The Self and Modern Society in the West and in Japan**

There is a powerful ideology existent in the West that individual purposive action to control and manipulate the external world to accrue some personal advantage is possible and, even, that it is morally correct. Active intervention by individuals to realise in their social world the future oriented mental images they have created for and about themselves has achieved the power of a normative value in society. This belief derives itself from the placing of the individual at the centre of the universe during the cultural revolutions of the Renaissance and Reformation and the subsequent developments in the Western world-view that emanated from the Enlightenment and the Scientific Revolution. Thus, deeply embedded in the Western consciousness is the idea that people can and should develop their ideas and then act them out in social life. In this ideological schema, therefore, life is lived from the inside out. That is to say, and speaking in only the broadest sense, transformations and developments in the inner world of cognitive experience precede transformations and developments in the external material and institutional environment.

In direct contrast to the West, Japanese people believe the self to be deeply embedded in social relationships. So much so that there is little confidence in the power of the individual to devise, control, and execute his or her own destiny, especially if those plans run counter to prevailing external social and structural norms and conditions. To do so, moreover, means the individual must run the very real risk of exciting public opprobrium for having disturbed the psychological and emotional comfort and harmony normally provided by adherence to the moral aesthetics of normative, or proper, social behaviour. Of course, Japanese people are possessed with self-consciousness and a basic understanding of the self as a distinct biological entity, but there is also a real recognition of, or assumption about, the deep interdependency of selves in society (Markus and Kitayama, 1991) which is less powerful, though by no means absent, in the West. But this leads Japanese to an accommodation with existing reality rather than an active attempt to control and mould the external world. The expressions *shikata ga nai* or *shou ga nai* (loosely translated: nothing can or could be done to alter the situation) are uttered by Japanese people with such frequency and regularity in both public and private life that this alone convinces me that Japanese people feel more heavily constrained in their actions by external conditions and relationships. Dichotomies such as *ura* and *omote* (behind and front), *uchi* and *soto* (inside and outside), or *honne* and *tatemai* (one's true feelings and one's public face) and so on also indicate that there are sharper distinctions in the Japanese mind between the inner and outer consciousness. The outer consciousness is more dependent on and determined by roles and relations and the inner consciousness is where free rein is given to one's own thoughts. However, this inner world should not be displayed to the outside world for fear of disturbing the moral aesthetic imperative of social harmony or because they are felt to be mostly unrealisable in practice due to the limitations placed on the individual by a deep and complex hierarchically arranged web of social relations.

The comparative lack of faith in the power of the individual successfully to act out his or her mental maps in the external or material world is, perhaps, both a direct consequence and an indication of the direction of the process of Japan's modernisation. Modernisation was thrust upon the Japanese people from without and from above, and the process of modernisation began with transformations in the external and material worlds, not the inner world of the self as it did in the West. In this representation the Japanese self has yet to experience a cultural transformation that places the individual at the heart of the Japanese world-view. As a result, Japanese social life remains deeply conservative and transformative developments appear to be accepted in a manner akin to a defensive and reluctant retreat from the traditional and pre-modern. In this ideological schema, then, life is lived from the outside in. In other words, transformations and developments in the external material and institutional environment precede transformations and developments in the inner world of cognitive experience.

In a very basic sense, Marxist analysis presents material transformations as the source of ideological change and Weberian analysis the reverse. Undoubtedly, day-to-day social life in any society involves an interpenetration of both material and ideological processes and, not only

did both Marx and Weber understand and stress this, neither thesis is a complete explanation for the differences between Japanese and Western societies. However, a difference can be observed in a generalised social consensus, or belief, as to the relationship between and the roles of the individual and larger social groups, institutions and organisations. The Western ideology of the modern self stresses the individual's moral responsibility for the realisation of his or her authentic nature as an autonomous, independent, and distinctive adult in society, and the Japanese ideology sees the mature ethical adult as voluntarily becoming embedded in and adapting to a social nexus that requires negotiation with others for the realisation of an essentially dependent, communal, and common nature. The former sees society as an open and linear system full of possibilities for action and self-determination and the latter sees society as a closed and cyclical system full of inherent conditions that, perversely, require voluntary adaptation. Naturally, this is a very schematic description but nevertheless, we can therefore, at this stage, qualify Western societies as being broadly progressive, philosophical, and idealistic and Japanese society as being broadly conservative, practical, and realistic.

### **Contemporary Social Change**

The American political scientist Ronald Inglehart posits the interesting idea that a profound generational culture shift in value systems is taking place across the whole of the developed world. Although he has been writing on this issue since 1971, his two principal and most recent books on this subject are: *Culture Shift in Advanced Industrial Society* (1990) and *Modernization and Postmodernization: Cultural, Economic and Political Change in 43 Societies* (1997). He describes the basic outline of his thesis thus:

... as a result of the rapid economic development and the expansion of the welfare state that followed World War II, the formative experiences of the younger birth cohorts in most industrialised societies differed from those of older cohorts in fundamental ways that were leading them to develop different value priorities. ... the historically unprecedented degree of economic security experienced by the post-war generation ... was leading to a gradual shift from "materialist" values (emphasizing economic security above all) toward "Postmaterialist" priorities (emphasizing self-expression and the quality of life).

Inglehart, 1997: 4

Marshalling an impressive range of empirical data Inglehart carefully builds a controversial thesis that there is a dialectical relationship of cause and effect between economic development and cultural change and that, therefore, the interrelationship between economic growth and value change is predictable in a general sense. He divides contemporary society into two phases; the modern, where material values take precedence and where the core project is economic growth, and the postmodern, where postmaterialist values are paramount and where the core project is individual well-being (Inglehart, 1997: 75-76).

This change, Inglehart claims, is a generational paradigm shift rather than a cognitive shift within one generation, and it arises out of a complex set of economic, social and psychological processes. However, explicitly drawing heavily from the Maslovian (Maslow, 1987 [1954]) hierarchy of needs, Inglehart describes how, after World War II the increases in material wealth that came with rapid economic growth across the industrialised world as well as the implementation of comprehensive social welfare and security programmes, basic survival was no longer precarious and feelings of existential security began rising as a result (Inglehart, 1997: 31). This process has been so successful that economic growth in advanced societies is now progressively generating decreasing marginal returns as to the concrete psychological benefits that can be accrued from continuing material expansion (Inglehart, 1997).

Using data from the World Bank's *World Development Report, 1993*, he shows that beyond an average annual per capita GNP of approximately US\$7,500 life expectancy does not appreciably rise thereafter (Inglehart, 1997: 59-60). Thus, Japan and Switzerland, with an annual per capita GNP of US\$28,000 and US\$33,000 respectively, have a life expectancy similar to countries which have an annual per capita GNP of approximately US\$20,000 less. However, countries such as Guinea-Bissau, with an annual per capita GNP of around US\$500, have an average life expectancy at birth of less than half that of those countries that have an annual per-capita GNP of only US\$7,000 more. Again, taking data this time from the longitudinal World Values Survey and the same World Bank report, he shows that a similar graph can be constructed that shows levels of subjective well-being rising steeply with the early stages of economic growth and then slowing down and even stalling as an advanced stage of material prosperity is achieved (Inglehart, 1997: 61-63).

Thus, there appears to be a threshold beyond which economic growth brings diminishing returns in terms of subjective well-being. Once beyond this people begin to place greater emphasis on lifestyle, self-expression, and other quality of life concerns in an effort to increase their personal happiness. For example, in the sphere of work there appears to be a shift away from maximising one's income and employment security towards a growing insistence on meaningful and rewarding work (Inglehart, 1997: 44). People, thus, begin to spend more time thinking about the meanings and purposes of their lives, the means by which they may achieve satisfaction, fulfillment, and self-actualisation, and the consistency of fit between their beliefs and aspirations and their substantive expression.

Inglehart explains the inter-generational nature of this shift by stating that when cultural change does take place it is more likely to do so among younger cohorts and that value change is very difficult and slow to occur once a person's system of values have been set in place. In other words, people's most enduring formative experiences are in their youth and, therefore, one's family and educational circumstances while growing up, as well as whether one was able to attend university, are crucial indicators of which type of value system, either modern and materialist or postmodern and postmaterialist, one subscribes to through the rest of one's life. Inglehart accepts the proposition that an individual's values can change according to

circumstances well into adulthood, however, he points to the preponderant evidence that exists to support the case that human development seems to be far more rapid during the pre-adult years than afterward and basic value change thereafter is significantly more unlikely to occur or, when it does occur, it does so only under more extreme external conditions.

With specific reference to Japan, Inglehart has been criticised on a number of points that purport to throw up not only questions about Japan's place in his basic framework as a non-Western but developed society, but also question the very basis of his thesis (Flanagan, 1982). Taking data from the Japanese Election Studies and the National Character Surveys, both of which are longitudinal, Flanagan attacks Inglehart's materialist-postmaterialist dimension saying that, instead, it should be separated into two scales, the most significant of which relates to the political value scale of authoritarianism and libertarianism.

Flanagan's "functional constraints" approach differs from Inglehart's Maslovian needs theory approach in the following way.

The functional constraints approach starts with the assumption that every state of human civilization is accompanied by a "consciousness" that reflects the underlying material technological realities of the human condition. Social values impose functional constraints on the "state of nature" drive for self-actualization for the purpose of maximising the individual's life-chances within a particular socioeconomic environment. A society's norms, then, are a response to the question "what attitudes and behaviour patterns will best ensure the survival and well-being of the individual and the community in this socioeconomic context?"

Flanagan (1982: 407)

Thus, Flanagan goes on to say, austerity, frugality, pietism, conformity, and deference are the prevailing normative values in agrarian societies because they are characterised by scarcity as their principal functional constraint. However, industrialisation causes a change in socio-economic conditions from "insecurity, interdependence, and scarcity to those of economic and physical guarantees, self-sufficiency and affluence" (Flanagan, 1982: 408) which alters the conditions for individual success and thus permits changes in values in the direction of weaker moral constraints, or a move from authoritarianism to libertarianism. Flanagan interprets Inglehart's theory as associating value change with a decrease in acquisitive and materialist values while Flanagan argues value change is more correctly interpreted as being associated with a decline in inhibiting authoritarian values which themselves are derived from the basic material condition of scarcity.

Inglehart defends himself in the same issue of the journal and later in *Culture Shift in Advanced Industrial Society* (Inglehart, 1982 and 1990) by attributing to Japan's comparatively recent industrialisation the apparent difference between the structures of Japan's and Western countries' value systems. That is to say, Japan only began industrialising in the second half of

the nineteenth century and even up to the early 1950s was a predominantly agricultural society. Moreover, Japan's post-war economic growth was spectacular by any standards of measurement. Thus, Inglehart argues, pre-modern, modern, and postmodern values systems have come to exist simultaneously within the same society and give off a confusing and often misleading picture to researchers. For example, Inglehart cites Japan's cooperative pre-modern wet-rice culture as a cause of Japanese society's apparent groupish tendencies but states also that this is waning with industrialisation, urbanisation, and affluence (Inglehart, 1982 and 1990). He further states that while Japanese show much less inclination to score highly on the belonging index, in contrast to people in advanced developed Western countries, this is a consequence of their different histories, Japan having an extreme form of authoritarian groupishness in the pre-modern period while individualism has been strongly emphasised in the West.

My own feeling about this debate is that both scholars are correct, but for a different reason. It is my contention that the ideology of self in Japan has, until recently at least, been so thoroughly conditioned by the individual's embeddedness in the social and cultural nexus that he or she not only perceives himself or herself as largely unable to actively engage in fashioning the external order to his or her own tastes and preferences, but that he or she does not wish to do so because upsetting the aesthetics of the social, political, and economic order is tantamount to immoral behaviour and may result in social opprobrium and a consequent isolation from the community. Thus, both change and discussion of it are associated with negative feelings of discomfort and fear. The philosophical order of Western modernity is, however, built on entirely different ethical foundations of active intervention in and transformation of the external and material world with change and talk of it being highly valued for their own sakes.

While both scholars attempt to justify their theories with historical and cultural evidence, even these arguments are perhaps ahistorical and acultural in the sense that they do not delve into the cultural and philosophical foundations of pre-modern life in either Europe or Japan (the United States possessing a modernist transformative ethic from its inception as a Western society) and do not account fully for cultural contingencies in the formation of a world view and the behaviour derived therefrom. Flanagan implicitly assumes that agrarian societies would possess a libertarian self-actualising dynamic were it not for the "functional constraints" of economic scarcity and Inglehart also assumes that pre-modern societies would have a similar post-materialist dynamic were it not for economic scarcity and insecurity. This assumption that the self has an unchanging and basic, or essential, self-actualising dynamic that may be hidden or repressed by external political or economic conditions neglects to ask the question as to whether the self is also historically and culturally contingent (Casey, 1995) or if human development itself possesses an evolutionary teleology that points towards growth, complexity, and differentiation (Csikszentmihaly, 1988 and Inghilleri, 1999). It also neglects to ask the question as to whether the self is a singularity or whether individuals possess multiple selves that are contingent upon immediate circumstances and relationships as much as they are by the

formative experiences of youth (Rosenberger (ed.), 1992).

Certainly the early-medieval European world-view saw the self as a part of God's universe and absolutely dependent on God, through the Church and its temporal representatives in the form of Kings and Princes. God, not humankind, was at the centre of this universe (Tawney, 1922 [1975]). The idea that the self could possess an independent and self-directed will on earth separate from God's grace was virtually absent from the early-medieval European mind. The closest one might come to recognising a self-actualising dynamic at that time was in the renunciation of sins and faith in heavenly salvation after one's death. Those few medieval humanists that did exist had to study the texts of classical antiquity in secret, often in their Arabic translation, and when discovered were customarily either banished beyond Christendom or simply tortured and executed as heretics. The humanistic current that remained through the medieval period was thus very much an underground movement that did not reach its fruition until the late-middle ages and the Renaissance. In the modern period, the Japanese experience and world view suggests that the individual may not possess so much as a self-actualising need or dynamic but a much stronger desire, or need, to contribute to the ongoing preservation and success of the group, while subordinating personal concerns to social aesthetics. Inglehart refers to these social values as a hangover from Japan's recent agrarian past, though this is a post hoc speculative assertion that is difficult to prove.

Furthermore, far from attributing value change in Japanese or any other society to the impact of westernisation or even cultural imperialism, both Inglehart and Flanagan, both perhaps distancing themselves from possible accusations of ethnocentrism, flatly reject this thesis by asserting strongly that it emphasises superficial concerns and neglects or ignores the core process. Inglehart writes, "Wearing Western clothing was not crucial; industrialisation was", (1997: 24) while Flanagan states,

We are not arguing the case for cultural convergence here. ... We do find, however, a number of value dimensions along which a quite pronounced degree of change has been taking place in postwar Japan which parallel, though perhaps lag behind, the direction of change in the West.

Flanagan, 1982: 440

This, is the area where Inglehart's thesis is most vulnerable and where he ignores the totalitarian and globalising tendencies of capitalist modernity. As Daniel Bell describes in *The Cultural Contradictions of Capitalism* (1996 [1976]), capitalism requires that all people become simultaneously both consumers and producers of its products. Extrapolating from Bell's idea, in an age where the capitalist process is expanding ceaselessly and exponentially it makes demands on our time, as well as our mental capabilities, to such an extent that we may become slaves to the process rather than its masters, and in this sense, alongside other intellectual and cognitive developments, it comes to condition even the basis of culture itself. In the intense

glare of mega-competition within which we all now find ourselves we discover that the globalisation of liberal democratic market capitalism is thrusting upon us an environment where it is no longer satisfactory merely to stand still; for that will only ensure that we will get left behind. On the contrary, more and more people are discovering that they are having to run ever faster and harder merely to keep abreast. Once more, enter into this arena the tremendous subliminal persuasive power of the global media conglomerates, their sponsors and bedfellows in the form of trans-national corporations and the advertising industry, plus the steady proliferation of supra-national governmental economic and political organisations, and we can see that industrial development is not and, indeed, cannot be separated from the processes of cultural and identity commodification and hybridisation within which global capitalist modernity ensnares us all.

Capitalist expansion and industrial development are intimately bound together with modernisation and all possess a globalising dynamic which itself has transformative consequences for the basic characteristics of these processes. Nevertheless, it is also inescapable that, for all the optimistic and politically correct, though culturally barren, globalist pretensions of the trans-national elites, all three processes originated in and are dominated, if not controlled, by the West. For better or worse, they are all also seen in the eyes of many, if not most, non-Western people who have to cope on a day-to-day basis with the incessant onslaught that is inflicted upon their systems of meaning, as essentially Western phenomena that penetrate and disrupt their own essentially stable and cyclical ways of life from the outside, but that are at the same time impossible to resist. Notwithstanding, globalisation and westernisation can also be forces for good in pushing back the frontiers of ignorance, oppression, and exploitation and are often, therefore, welcomed for these reasons by the very people that subsequently and unwittingly become ensnared in newer, subtler, or more seductive modes of domination and dependence. The value changes that occur within modernisation, therefore, cannot be so neatly disentangled from globalisation and westernisation and thrown at the feet of industrialisation. We must, in addition, take account of these processes that, like an ever tightening net, envelop, squeeze together, export, and hybridise the process that Inglehart describes.

## **Globalisation and Convergence**

While the preponderant weight of media and commercial interests lie in the West, or even the United States, and the word globalisation is often somewhat misused as a synonym for the expansion of the American economic and cultural system, globalisation does not equate with either westernisation or americanisation. Looked at positively it is a process of hybridisation that allows for a plurality of cultural, institutional, and organisational forms to exist within a melange that allows individuals and groups to choose the forms most suited to their particular needs, and use a variety of them simultaneously, while caring little for where they first originated (Pieterse, 1995).

However, this is perhaps not a sufficient explanation since particularism, in the form of,



for example, strong ethnic or national identities, appears to be itself a product of globalisation and contact with the other (Robertson, 1995). Thus, Robertson uses the Japanese business term “glocalisation” to describe the process whereby there is progressively greater differentiation within an increasingly global consciousness or, in other words, a simultaneous interpenetration of the global and the local. For Robertson, it is the contemporaneous expansion within society of the local and the global and the interpenetration of particularism and universalism. It is the creation and incorporation of the local within the global and the global within the local.

Anthony Giddens (1999) is more blunt: “The era of the nation state is over. Nations ... have become mere ‘fictions’.” Giddens goes on to emphasise that globalisation, while assumed by many to be purely an economic phenomenon, incorporates virtually every aspect of our lives. It is in addition intensely political, social, and cultural. For Giddens, globalisation is only partly westernisation since it also involves a decentering from the West as non-Western cultural systems seek to be and are incorporated into the global system. He uses the reverse colonisation of Los Angeles by Latin Americans as an example of this point.

Perhaps, however, neither Giddens nor Robertson give enough consideration to the relative weight that westernisation and americanisation play within the multi-directional process of globalisation and, moreover, the feeling, rightly or wrongly, among most non-Western peoples that globalisation has come to mean the colonisation of their life-space by the expansion of Western, read Anglo-American, capitalism and modernity. For, although globalisation has been a more or less permanent feature of human development, it is only in the modern period that it has accelerated, widened, deepened, and intensified to the extent that no-one can now avoid its consequences. Those who live outside the core networks and processes of global capitalism are coming to feel that they are being compelled to capitulate to and collude with alien forms of life and work merely to protect some vestige of the meaning that their previous existence had given them from further dilution by the tendency towards rationalisation and commercialisation that are generated by the expansion of Western modernity and the globalisation of Western market capitalism.

Nevertheless, the British political philosopher John Gray (1998) argues against any form of convergence, homogenisation, or hybridisation as consequences of globalisation since, he reasons, if economic systems are predominantly built upon and predicated by culture then as capitalism spreads across the earth it will come to be incorporated into differentiated systems of belief and, thus, take on forms specific to the cultures into which it is absorbed. Globalisation, therefore, in Gray’s view, leads to precisely the reverse of convergence, or an increasing proliferation of differentiated capitalisms as capitalism expands into previously untouched regions of the world.

Gray uses the Japanese example to propose his idea that global capitalisms will proliferate and strengthen themselves and that the Anglo-American version is merely one singularity among many. However, his arguments appear to be based upon popular though outmoded beliefs about the strength and stability of the Japanese economic system as well as

somewhat stale assumptions about the history of Japanese modernisation and the traditionalist ideological roots of Japanese economic organisations. Even with these arguments he feels forced to concede that the Japanese system may have to change without giving the reader much idea as to the sources of such change or any indication as to what kind of system may thus develop (Gray, 1998: 174). Further, and more tellingly, Gray neglects to explore the question of how the nature of a particular version of capitalism might change if the culture upon which it is based evolves or develops in the direction of the dominant cultural model, in this case the Anglo-American system.

Bauman (1998 and 2000) also argues against global homogenisation but from a different perspective. For him globalisation leads to a hierarchy of mobility between what he calls “tourists” and “vagabonds”. That is to say, global capital needs flexible and compliant governments, weak labourers, and credulous consumers in order to reproduce itself and these it gets. For, the primary criteria that global capital requires before investing and locating in a particular area is the conditions whereby it can sell up and leave whenever circumstances become inconvenient or uncomfortable. Shareholders become the new absentee landlords demanding flexibility and deregulation as they move themselves and their capital around the world without consequences for themselves and virtually without opposition to wherever they can achieve maximum return on their speculative investments. This deprives the ‘other’, or labour, of its gripping or resistant nature, thus polarising a hybridising global society into elite global “tourists”, who can come and go as they please, and local “vagabonds”, who remain and depend almost for their very existence on the apparently capricious decisions of the trans-national elites.

Writing some twenty five years earlier in 1973 the renowned British scholar of Japanese society and economy Ronald Dore (1973) concluded from his empirical investigations at English Electric in Britain and Hitachi in Japan that, because of what he called the “late development effect”, Japan had been able in some measure to leap ahead of the United Kingdom, and by implication the United States too, into a more advanced or more modern form of industrial organisation upon which henceforth the UK would converge. A key aspect of this ability to leap ahead, Dore claimed, was the development of the so-called lifetime employment system, which, according to his theory, had come into being precisely as a result of Japan’s late development. The implications of Dore’s work, therefore, were profound because it implied strongly that the incorporation of Western technology into the traditional Japanese ethos had indeed been successful, so much so that Japan had been able to develop significant comparative advantages and efficiencies in production management. His work also implied that, while systemic convergence is a product of the globalisation or intensification of competition, it is by no means a given that this is a one-way process flowing inexorably out from the West.

Since that time there has without doubt been a certain Japanisation of US and British management and production systems in response to the Japanese competitive economic challenge. Lean production as practiced by the Toyota Motor Corporation has been studied

extensively by many scholars and practitioners for any aspects that might be transportable to the West. Abo's (1994) book on the hybridisation of production systems around the Japanese model emphasises this point simply by its very choice of subject matter. However, since Dore's influential work, in other industrial and business sectors there have also been studies on the subject of global convergence and hybridisation that focus on Japan and some of these have come to the opposite of Dore's conclusion. For example, Malcolm's (1998) examination of the consequences for the Japanese financial services industry of the 'Big Bang' regulatory reforms argues for what he calls a "nuanced convergence". He takes a gradualist approach and concludes that the Japanese system is reluctantly converging on the predominant Anglo-American system, but that it has managed to retain some distinctive features of its own.

Within the process of the collision and confrontation of the modern and pre-modern as well as of different forms of modernity, is it not probable that, first, some kind of convergence is taking place, not just of capitalist systems of production or in the material aspects of people's daily lives but also and more importantly, in the forms of consciousness that are developed to respond to and actively engage with the new and global forms of social life that are taking shape around us? Moreover, as the preponderant power of Western capital comes to dominate an increasingly global capitalist modernity, is it not possible, second, that such a convergence of economic and social forms might come to be coloured mainly, but not exclusively, by Western or even American modernity? Third, is it also not possible that, because modernity and capitalism are generally perceived to be aggressively exported out from the West, the material and psychological consequences of economic and social development and modernisation are perceived as a process of westernisation, even though they may be to a large extent endogenously generated?

As we observe the gradual attenuation of, for example, the lifetime employment system in Japan and research indicates to us some radical shifts taking place in the value orientations of Japanese young people, are we not witnessing, therefore, the perhaps irresistible emergence of a totalitarian liberal democratic capitalism that is dominated by the system designed and constructed by the Western elites and which elicits from the non-Western 'other' a reluctant and defensive retreat from distinctiveness and exceptionalism into what loosely amounts to a global hybrid of the 'American Way'? Are not Robertson's somewhat hopeful interpenetration of the local and global, or Pieterse's globalised smorgasbord of the local, merely an intermediate stage in a process of a real and perceived deepening of Western, or more precisely American, hegemony beyond the economic and political into the social, the cultural, and even the psychological worlds?

## **Conclusion**

There is no doubt that the present period is one of confusion, flux, and contradiction in Japanese society. Japan is a developed though non-Western society and thus it is, I think, helpful to use the analogy of a mirror with which to compare and contrast Japan and the West<sup>xix</sup>. It is a mirror

in the sense that the image presented resembles closely the original that stands before it. But, when we examine it more carefully we see that the image, while appearing identical, is in fact reversed. Correspondingly, Japan's modernity appears in many of its material and ideological manifestations to be similar to the West, but some of the most crucial of its aspects appear also to be reversed. The history of the ideology of Japan's modernity is perhaps the reverse of Britain and the USA, as might be the ideology of the role of the self in fashioning or being conditioned by external social reality.

Within the flux and contradiction which Japanese society appears to be facing are we not now witnessing the cultural revolution that Tominaga claimed was missing from the Japanese experience and which, in his view, prevented Japanese society from being viewed as truly modern? Are we witnessing an individuation of the Japanese consciousness which seeks to fashion or remake human experience to conform to individually constructed pre-determined mental images; a Japanese version of the "reflexive project of the self". While this revolution may not be religious in its orientation, it is perhaps even more momentous because, if it is the case, then it signifies not only the ideological and cultural culmination of Japan's transformation to high modernity but also, perhaps, the Japanese expression of an ongoing worldwide tendency toward the supplanting of religion as the basis of culture by the ideologies of market capitalism, scientific rationalism, and secular humanism, or what amounts to being a systemic and ideological convergence on a global hybrid version of capitalist modernity.



# Chapter 3

## Japan's Transitional Modernity

The rich man in his castle,  
The poor man at his gate,  
God made them, high or lowly,  
And ordered their estate.

**Mrs. Cecil F. Alexander,**

*All Things Bright and Beautiful*<sup>xx</sup>

In 1958 the American industrial sociologist James Abegglen was the first Western observer to describe the post-war paradigm of the Japanese firm to the Western world in his book *The Japanese Factory: Aspects of its Social Organization*. He described the “critical difference” between Japanese and American industrial organisation as an implicit and non-contractual agreement between employer and employee to membership of the organisation for the whole working life of the employee. The basis of this arrangement was “a system of shared obligation” that took “the place of the economic basis of employment” (Abegglen, 1958: 17). He described the agreement thus.

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. He is a member of the company in a way resembling that in which persons are members of families, fraternal organizations, and other intimate and personal groups in the United States.

Abegglen (1958: 11)

Without fully investigating the specific ideological and instrumental nature of the invention and role of tradition in social and economic organisation, Abegglen assumed that the culture of welfare paternalism that had developed within the Japanese firm had evolved out of its pre-industrial values. To be sure, Abegglen also recognised the instrumental and economically rational appeal to management of maintaining the lifetime employment system but concluded that such justifications for its existence “might be seen more accurately as a rationalisation of a system rather than as an explanation of a real cause of a system of job relations” (Abegglen, 1958: 16). However, he predicted that, although the corporate system

itself was at that time socially and economically consistent, there was a potential for incompatibility between it and the economic and social changes that might derive in future from further macro-economic expansion and technological development that, he argued at the time, threatened to steer the Japanese corporate system towards a convergence with the American model.

In 1973 Abegglen updated his thesis to argue more forcefully that the lifetime employment system “taps ... the very basic motives involved in group centred, non-contractual, and hierarchically organised society”. His conclusion was that tradition may not always be a barrier to economic growth and moreover, in the particular circumstances surrounding Japan’s case, could actually facilitate and enhance it and were a comparative advantage in Japan’s economic development. According to this schema, the pattern of employment reinforced a pre-existing emotional identification between employer and employee that leads to personal, family, and corporate success being “inextricably enmeshed” in what Abegglen was later to call a “partnership of fate” (Abegglen, 1973 and Abegglen and Stalk, 1985). In this second volume he identified the now famous ‘Three Pillars’ of the Japanese management system as lifetime employment, seniority-based pay and promotion, and enterprise unionism (Abegglen, 1973).

Importantly, Abegglen claimed that though the suggestion that Japan’s employment situation is changing is a recurring one and that “some change has occurred at the margins of the system ... it is not changing in any basic or extensive way” (Abegglen, 1973 : 47-48). He predicted however, perhaps fortuitously, that patterns of employment would be transformed as basic social relations and value priorities changed with the growing internationalisation and affluence that Japanese society was increasingly experiencing.

As the society changes, and it is changing, under the impact of affluence, increased leisure, a much altered pattern of family life and a greatly increased interaction with other nations, so patterns of relations in the workplace will change. Changes in the employment system will arise from these more basic social changes, and will reflect in the future as to date the characteristics of the broader society.

Abegglen (1973: 49)

Twenty-eight years after his first book, and at the pinnacle of Japan’s industrial ascendancy, Abegglen, in collaboration with George Stalk Jr., produced his insider’s guide to competing against the Japanese challenge, *Kaisha: The Japanese Corporation* (Abegglen and Stalk, 1985). Again, he repeated his claim that the comparative advantage of the Japanese corporation lay in its high level of social integration around the lifetime employment system which itself, he argued, is rooted in Japan’s pre-modern Confucian values and the view of the traditional Japanese family as a paradigm for nation and organisation.

In its sophisticated resolution of the needs, desires, and values of both employer and employee the system was proving to be more durable than even Abegglen had previously

anticipated. He described the system for the employee as a trade-off between the opportunities for high reward and long-term security and in this case the Japanese company employee appeared to prefer the latter. Moreover, although he theorised about Japanese young people's greater propensity to take risks with their employment, in the conclusion to the volume Abegglen predicted that, "dramatic changes in the internal structure of the kaisha appear unlikely" (Abegglen and Stalk, 1985: 286). This change in consciousness among young people, therefore, would lead to a gradual abandonment of the seniority-based pay and promotion systems but the core lifetime employment system would remain. Once more, change would occur at the margins while the core remained intact.

The period covered by Abegglen's three volumes is the one in which most observers of Japan consider to have existed the post-war model of the Japanese corporation. For the years after 1945 and prior to 1958 were mostly taken up with the allied occupation, the urgent task of reconstruction, and the labour struggles of the early 1950s that sought to define the new post-war labour-management paradigm. Moreover, shortly after 1985 came the onset of the asset price inflation referred to subsequently as the 'Bubble Economy' and its collapse into a decade long deflationary stagnation and recession in the 1990s, conditions which are threatening to undo the very basis of the post-war social and economic contract in Japan.

Abegglen correctly identified lifetime employment as the defining institutional characteristic of the Japanese corporation as a distinctive bureaucratic capitalist organisational type. He also correctly identified the source of its extraordinary durability as lying in the complex constellation of both employers' and employees' interests in the institutionalisation of employment at a single organisation for the whole working life of the employee<sup>xxi</sup>. Nevertheless, Abegglen did not investigate closely the employee needs, desires, and expectations that he declared to be so well satisfied by the system.

Thus, in order to establish a model with which to compare contemporary developments we must not only look to the institutional dimensions of the post-war lifetime employment system but also try to unravel the nature of the employee values and ideologies that existed within that model. Further, how can this institutional model be incorporated into our understanding of Japanese modernity? For if we are to attempt to make some judgments as to how Japan's journey into and through modernity is unfolding by an analysis of this particular aspect of Japanese society then it is appropriate to draw a base line against which we can compare contemporary developments.

Consequently, this chapter explores the principal ideological functions and characteristics of permanent employment from the point of view of both management and employee and will present the paradigm of the post-war Japanese company as a transitional institution that sits between the semi-feudalism of nineteenth century Japan and an emerging global hybrid modernity that is taking shape around us as we enter the twenty-first century. That is to say, the post-war model of the Japanese firm is one which fuses together both a modern economic rationale and what Robert E. Cole (1978) refers to as a "recrystallisation ... of norms



and structures” that were operative in pre-modern Japanese society. In other words, even within the rational bureaucratic economic organisation that is the modern corporation, some features of the Japanese firm, acting in the manner of a social adhesive, were crucial to its operations but were idealised reconstructions of pre-modern patterns of thought. Although these ideologies were constructed with economic imperatives in mind they served to bind employees to the organisation in a manner akin to pre-modern familistic and community structures. That is to say, employees readily accepted and actively adopted the underlying principles of a paternalistic and semi-ascriptive hierarchy operating within a closed and cyclical social system in a non-reflexive and received manner that is quite unlike the reflexive ideology of high modernity that Giddens describes. Such a complex interweaving of fictive pre-modern social and modern economic attributes allows us to borrow Loiskandl’s (1998) concept of trans-rationality as well as Ashkenazy’s (1998) theory of cultural modelling and characterise the Japanese lifetime employment system as a trans-modern institution.

## **The Origins and Establishment of the Japanese Lifetime Employment System**

The Japanese lifetime employment system, in the period in which James Abegglen was writing at least, was an internally consistent and economically rational mechanism implemented by Japanese management in response to both external and internal exigency. Nonetheless, it was also pro-actively designed, implemented, and maintained by management for the purposes of realising the various objectives of the firm’s stakeholders and these objectives were necessarily underpinned by the core values of both management and employees as they evolved through the course of Japan’s economic modernisation. What were the bases for the origins, establishment, and continuation of lifetime employment in large corporations in Japan, what were its principle characteristics, and how has the system evolved through the course of Japan’s modern industrial development?

### ***The Origins of the System***

It is generally agreed among economic and social historians of Japan’s corporations that the lifetime employment system had crystallised by the late 1950s amid the immediate and specific circumstances surrounding Japan’s emergence from the Second World War. Notwithstanding, its origins can also be traced in various ways back to the period prior to the war. According to Chimoto (1986 and 1989) a prototype for the lifetime employment system, at least for white-collar administrative and managerial employees in private business, can be found in the system of *houkounin* employed by the Mitsui House during the later Edo period and its conversion into a more economically rational and bureaucratic system of long-term employment of administrative businessmen after the Meiji Restoration.

This system of business employees who had completed a minimum of ten years of apprentice-type training was used to nurture and develop long-term continuous service among a

small coterie of talented individuals. In order to retain high quality employees, in addition to granting long-term continuous employment, regular salaries and reward bonuses were paid which were considerably more than the pocket money received by lower grades and with these increasing “the higher one was promoted and the longer one worked in continuous service” (Chimoto, 1989). Further, a retirement lump sum payment was paid which was calculated according to the position attained and number of years of service and, again, was considerably more than the payment accorded to lower grade personnel. These incentives became entrenched and were rationalised and bureaucratised in the Mitsui House and other similar businesses such as Sumitomo and Mitsubishi (Chimoto, 1989) during the Meiji period as increasingly it was forced to compete with the expanding national bureaucracy and government-owned enterprises to attract imperial university graduates as well as to retain and nurture talented home-grown employees.

Nevertheless, we should caution against assuming a generalised and smooth take-up and transition from the practices adopted by the Mitsui House for their managerial employees in the Edo period to a generalised system of permanent employment after 1945. Unlike in the post-war system, the Mitsui-type system was only possible through the rigorous weeding out of the majority of workers during the period of apprenticeship and, further, the primary purpose for persons wishing to become *houkounin* during the Edo period was not in order to serve the merchant family for the whole of their lives but, conversely, to receive the training and finances necessary to be able to leave and set up business on their own. More significantly, the majority of commercial and industrial entrepreneurs during the Meiji and early Taisho periods either ignored older business conventions or actively sought to have them abolished in order to further their own interests, more often than not at the expense of employees (Chimoto, 1986). Thus, although conditions were different in governmental institutions and government owned corporations, the pre-war period of Japan’s economic modernisation is perhaps more appropriately characterised by what Hazama refers to as the manifestation of the logic of capital in its most naked form (Hazama, 1997 [1964])<sup>xxii</sup>. Even though long-term employment existed prior to the Second World War, there was little commitment by management to lifetime employment as a normative social condition for core male employees in the sense that it existed after the war.

Moreover, although long-term continuous employment had already existed for elite administrative staff in the government bureaucracy and at some large enterprises and trading houses since at least the Meiji period (Hazama, 1997 [1964], and Kinmonth, 1981), long-term continuous employment at a single enterprise appeared for skilled manufacturing workers only in the 1920s as a management response mainly to technological developments. Cheng and Kalleberg (1997) found that employment retention rates began a secular increase from the 1920s onwards and fell only in the 1930s and 1940s because of the government’s military requirements. They also found that retention rates for white-collar employees in large enterprises were higher than all other categories of employee, except for during a short period in

the early 1930s, and that retention rates for blue-collar workers at large firms was also consistently high when compared to previous decades except, again, during the wartime period. Thus, Nishinarita calls these early inter-war years “the period of establishment of Japanese fundamental labor-employer relations” (Nishinarita, 1995: 18). It was not until production workers were brought into the system that we may begin to think of it as resembling that which crystallised in the post-war era.

One of the most authoritative and convincing accounts of the pre-war period of Japanese industrial relations has to be that of Hazama Hiroshi in his now classic work *The History of Labour Management in Japan* (1997 [1964]). This book is a theoretical sociological examination of the Japanese firm as a structural microcosm of Hazama’s interpretation of Japan’s transition to modernity, and thus it is an appropriate point of reference to turn to here. In it Hazama puts forward the proposition that Japan could not have grown so rapidly and so continuously, given the dire working conditions existent at the time, if there had not been in place an ideology of employment with which workers could readily identify and which possessed an internally and culturally consistent legitimacy. According to Hazama it is to the ideology of managerial familism, or *keieikazokushugi*, that we can attribute the motivation of workers to contribute to the growth of the enterprise and their willingness to cooperate among themselves and with management (Hazama, 1997 [1964]).

Management in heavy industrial enterprises, with the active support of the government, modeled the logic of managerial familism on their interpretation of the traditional *ie* ideology. It was a reinterpretation of a pre-modern patriarchal and paternalistic ideology that was introduced by management to stabilise and retain a skilled workforce and gain a return on long-term investment in training male employees to operate the complex machinery that was being introduced particularly in heavy and process industries. Within this ideology, for example, class relations were seductively explained in terms of the status relations of parent and child in the pre-modern Japanese family, or *oyabun-kobun* relations. Yet, at the same time, management was studying and implementing Western, or Fordist, industrial and production philosophies and practices. Hazama reasoned, therefore, that Japanese-style management had grown out of the instrumental weaving together of Japan’s societal foundations and overseas influences (Hazama, 1997 [1964]: 12). He also argued that the traditional logic of the *ie* itself facilitated the transition to a modern economy because it had been primarily a unit for the protection, growth, and inter-generational transmission of familial wealth and that, consequently, the calculation of economic and social interest predominated over, but did not exclude, love. Here, therefore, we can see the process of cultural modelling at work, as well as a reflexive reinterpretation by management of a pre-modern received logic of social legitimation for the purpose of securing the implementation and development of an instrumentally rational and modern system of economic production.

### *The Establishment of the System*

The Japanese lifetime employment system, in the sense that it was a normative social condition for core male employees in large Japanese corporations and which extended its influence into social arenas beyond the boundaries of the corporation, came to fruition in the years following World War Two. However, the wartime period itself also served to presage the entrenchment of the system and it is worth describing here how this came about because the government's motives point to one of the defining characteristics of the Japanese firm as a distinctive type of bureaucratic capitalist organisation. This characteristic is what Ronald Dore (1973) calls the "organisational orientation" of management and employee, or the very real sense of ownership and membership of and absorption into the corporate body that employees and management come to feel through long-term participation in an economic community that is dedicated to survivability and expansion for the purposes of long-term employment security and, its corollary, steady and predictable income growth and status achievement.

As part of its wartime mobilisation measures the government sought to stabilise production and minimise social dislocation through the implementation of a rigid regulatory regime (Okazaki, 1994). The government worked to stabilise and restrict labour flows and to reduce shareholder power in order to orient firms to production and a series of measures were introduced with the 1938 National Mobilisation Law being the most symbolic. The following describes succinctly the employment system that emerged out of the wartime regulatory framework:

The wartime regime is characterised by labor practices based on the seniority system and lifetime employment ... Along with the custom of long-term, stable employment that took root in society, (the) wage system formed the basis of the labor practice seen today, whereby greater importance is attached to length of service than to productivity or performance.

Miura, 2000

Nevertheless, it is not until the post-war formation of enterprise unions that the lifetime employment system can be said to have fully taken root as an implicitly understood normative social contract. Initially Japanese industrial relations were characterised by conflict as the newly formed unions struggled to assert themselves and to challenge the philosophical basis of Japan's emerging capitalism (Hasegawa, 1993). Both Gordon (1998a) and Kumazawa (1996b) show in their examinations of post-war labour relations how it is out of this conflict that the character of a corporate centred society emerged and reached its ascendancy in the 1960s. In separate volumes they argue that what unions achieved was perhaps not the best scenario that they could have hoped for but they did not lose. Unions achieved their most pressing goals of employment security, material affluence, and equal status between white and blue-collar workers. However, this was gained at the expense of employees losing direct control over their careers and lives.

That is to say, unions ceded to management the right to manage the corporation through unilateral control over the allocation of labour in the interests of long-term corporate survivability and expansion.

To recapitulate, out of the wartime government measures to create “production communities” not beholden to shareholders (Sugayama, 1995) and the democratisation of the Occupation reforms, including the break-up of family owned enterprises (Fruin, 1983), came demands by the recently legalised unions for recognition by management of workers’ basic economic and security needs. Moreover, autonomous and powerful labour unions campaigned vigorously for a system of long-term full employment which guaranteed a living wage (Nomura, 1998). This demand was founded on normative societal expectations of personal circumstances based on the employee’s age as a marker for his stage in life. The resulting dynamic growth oriented compromise lay in a system that came to be labelled “welfare corporatism”<sup>xxiii</sup>. For the, albeit re-invented, pre-war ideology of familistic hierarchical ascription was no longer automatically accepted by employees in Japan’s new egalitarian democracy and there came with this developments in the ideology of management. In this schema the basic long-term economic and security needs of labour were conceded by management in return for the securing of the right and responsibility to promote the long-term survivability and growth of the corporation. It is the establishment of this compromise as a normative social contract in the form of the post-war egalitarian ideology of democratic materialism that formed the basis of what Hasegawa (1993) calls the cooperative and, later, compliant labour management relations that are so characteristic of Japan’s post-war economic development.

Nevertheless, even if we acknowledge that the post-war Japanese political economy could be represented as possessing a modern path-oriented rational developmentalist consciousness in an economic sense, we cannot readily characterise Japan as being resolutely modern in a social or cultural sense. That is to say, if modern means the formation of a generalised, reflexive, constructive, transformative, and future oriented linear consciousness based on the ethics of self-fulfillment and manifesting the individual’s authentic inner consciousness in substantive reality. Union demands represented a desire for the achievement and maintenance of material stability and security within a heavily ascriptive and closed fictive community of mutual dependence. By way of example, Takezawa’s (1995) longitudinal study of Japanese corporate employee’s work consciousness between 1960 and 1990 clearly shows not only a strong preference for material security and stability in 1960 and in 1976 but that this preference had, in comparison to others, become less pronounced by 1990. This post-war consciousness was founded in the notion of needs expectations according to one’s life-stage which might itself be labelled an intermediate, or transitional, consciousness that lies between pre-modern conceptions of an externally ascribed life-cycle and the extreme fluidity of high-modern representations of the self-constructed and individualised life-span. Management, for its part, sought to strengthen corporate society through reference to idealised reconstructions

of received assumptions about Japan's historically derived societal foundations.

It is important not to forget that, compared with the material abundance of Tokyo at the end of the twentieth century, life in Japan in the early post-war period was materially difficult even for the salaried middle-classes. In his now classic description of life in Tokyo in the early 1950s, *City Life in Japan* (1999 [1958]), Ronald Dore graphically depicts the material conditions of the time.

O is a policeman, 39 years old, the son of a carpenter. ... The five of them (two parents and three children) live in one 'four-and-a-half-mat' room, that is, a room about nine feet square with one large recessed cupboard to contain the bedding, which is rolled up and stored away in the daytime. ... The O family can rarely afford meat, but they have fish four or five times a week, though generally the least expensive salted salmon. ...

One sink with a single cold water tap, and one lavatory are shared with three other families. ... There are no baths, but Mrs. O takes the children to the bath-house every other day and Mr. O goes regularly once a week.

Dore (1999 [1958]: 29-31)

In such conditions it was imperative for men first to safeguard employment for themselves and from there to secure, maintain, and protect their own and their families' basic material needs. If they were fortunate, they could invest in some of life's luxuries such as a refrigerator, but nowhere in Dore's book can one find evidence of a widespread desire for authentic self-actualisation through reflexive self-development. In support of this contention, in 1955 Jean Stoetzel concluded in his empirical investigation of the attitudes of Japanese youth that economic difficulties weighed heavily even on young people's minds in the early 1950s and, further, that security and standard of living were considered by youth to be the most important conditions for happiness by those who thought that health alone was not enough (Stoetzel, 1955). It should come as no surprise, therefore, that unions fought their struggles on the issues of securing long-term employment, a living wage based on personal circumstances, and equal status between blue and white-collar company members. In short this was the ideology of democratic materialism, or an insistence on the achievement of equality of outcome for all.

Accordingly, it is appropriate to view the lifetime employment system as the central mechanism around which are arranged, in a series of interdependent social and economic relationships, the principal attributes of the Japanese firm. Permanent employment is the dynamic foundation upon which is based the strategic objectives of the Japanese firm as an internally and externally integrated socio-economic community. Those objectives can perhaps be reduced down to an ongoing concern for long-term survivability, stability, and growth of the firm for the sake of maintaining employment security and, as a secondary consequence, steadily accruing opportunities for status achievement and income growth.

Further, the principle of lifetime employment was the product of intense struggle

between management and unions and, as such therefore, it is a functional and institutional representation of the basic need of employees to provide material security and comfort for themselves and their families throughout their working lives and on into retirement. This was a rational and economically modern response to the material deficiency and uncertainty of the immediate post-war years in Japan. It was economically modern because both management and labour reflexively questioned the basic foundations of the existing economic order and found a rational and dynamic resolution to their mutual economic advantage. However, that was not the end of the matter. For the lifetime employment system, and the Japanese firm as a consequence, was also a semi-ascribed and closed-ended hierarchical system geared towards the maintenance of material stasis according to received notions of needs-based life-stage expectations rather than being an individualised and open-ended system oriented towards the substantive realisation of employees' authentic personal attributes.

### **From Organic to Contrived Compatibility: The 1960s and 1970s Lifetime Employment System**

What evidence do we have for the claim that the post-war model of the Japanese lifetime employment system is a trans-modern institution? What aspects of the system will reveal most to us about the quality of its institutions? How can we most easily describe its ideological functions and characteristics?

#### ***The Principal Ideological Functions and Characteristics of Lifetime Employment***

Beginning with a brief but illuminating examination of management's construction of the ideology of the post-war Japanese corporation and doing so by looking at an internal-company magazine from the 1960s, it is not difficult to detect managerial attempts to actively and instrumentally construct an ideology of, first, duty to the corporate community, and second, its corollary of self-fulfillment for the individual through the living out of semi-ascribed roles by absorption within a corporate community that was much more than simply an instrumental association between self-interested individuals.

In the May 1967 in-company magazine from Company C is reprinted, and of course subsequently distributed to all company members, the Company President's address at the entrance ceremony for the year's new high school and university graduate recruits. Interestingly, in the opening messages he claims to be speaking to the audience, "not from the position of parent but from the heart,"<sup>xxiv</sup> recognising implicitly and emphasising the underlying and ordinarily paternalistic character of management while distancing himself from it for this occasion. He then goes on, first, to urge them to take care of their health and consult the company medical service if they have any difficulties in this regard, second, to exhort employees to learn and adopt the company character through actual experience, third, to continue to study through learning by doing, and fourth, to develop and nurture good personal relations with other company members in order to facilitate and smoothen the working

environment as well as make the company member's working life happier.

Reading through the speech and examining the text, as well as attempting to grasp on an ideological level what the company president was trying to communicate, I felt that he perceived the company neither as a strictly familistic enterprise, nor as a purely economic collaboration between self-interested individuals, but something in-between. He was welcoming the new members not into a family but into a mutually supportive membership of and journey through a communal hierarchy of interdependent men and women that possesses a life, a quality, a continuity, and a long-term dynamic of its own that is founded on lifetime employment and is distinct from but intimately involved with wider society<sup>xxv</sup>. It is a self-contained unit, or social world, with its own history, customs, relationships, and systems and these must not only be learned, they must be deeply internalised if the individual is to realise his role as a fully integrated member of the hierarchy of corporate relations. This speech, therefore, was an exhortation to new members to enmesh themselves in the corporate community and become loyal, devoted, and organisation oriented company men and women. Later, in the speech and in the closing remarks, he states;

This company was established in the year Meiji 20 and in a year or two we will be celebrating the 80th anniversary year of the establishment of the company. So, in our more than 70 years of long history we have established a company character. This company character cannot be described simply in one or two words but please come to understand it through actual experience. ...

But, I would like you all to understand that the complexion does not remain the same forever. It changes with the entry every year of hundreds of new graduates and as every year a new set of graduates enters and passes up through the company. Thus it is not fixed but something that changes gradually. So, at the same time as absorbing the long history of this company, if there is something good that you can add then please contribute it from now on. ...

The following is a little abstract but, once one enters the company, life is no longer like it was as a student and it changes forever. Relations between people, relations between colleagues, as well as human relations with the huge number of *sempai*, are complicated in various ways, I think. ... Living in this world is extremely complicated and there are many things that cannot logically be explained ... One needs to understand that life in the company is not a breeze. Please do not try to avoid this thought and believe that by working hard you can advance and overcome. If you properly deal with your difficulties then you will exceed yourself ... I believe those people that think that this can be done without difficulty will fail during the long life they will spend in the company.

**President, Company C, In-Company Magazine, May 1967: 2-3**



It is difficult to judge to what extent speeches are genuine expressions of the deep seated beliefs of their speakers as well as how much of their content is internalised and subsequently acted upon by members of the audience. Notwithstanding, through the working life of the employee these ceremonies, and others like them, deliberately serve to construct, reconstruct, and reinforce the affective, ethical, and social foundations and characteristics of the corporation. They provide a forum for management, over and above the practical day-to-day mechanics of administering corporate expansion, to communicate to employees its ideologies and visions.

The above excerpt is fairly typical of speeches made at company ceremonies and it would be very easy to judge in hindsight that the Company President was merely attempting to manipulate the impressionable and vulnerable young minds of the new entrants but, if one does then the following questions must necessarily come out of such an interpretation. Why did he choose the particular ideological constructions adopted in such a method of manipulation and why has there been so little resistance to the ongoing construction of what have often been termed oppressive and totalitarian ideologies (Kamata, 1983 and Kumazawa, 1996a and 1996b)?

To be sure the speech was a conscious attempt to inculcate corporate ideologies. In addition, explanations for the pre-war period certainly hold for post-war Japan too in that there was and is an apparent contradiction between some employees' outward observance and inner acceptance of corporate ideologies and that this was, perhaps, a consequence of their desire to simply "to get on in life" (Kinmonth, 1981). However, Hazama's contention that Japan and its corporations could never have grown so rapidly and so continuously had corporate ideologies not been internalised by at least some employees as an authentic, legitimate, and essentially Japanese construction of reality holds as much for post-war Japan as it does for the pre-war period about which he was writing. Moreover, there is considerable anthropological and sociological research that can be used as evidence to suggest that these ideologies were internalised by a large proportion of employees (Clark 1979, Cole, 1971, Dore, 1987, Rohlen, 1974, Sugimura, 1997, and Tao, 1998).

What can be most clearly discerned about the 1960s personnel system is that it almost entirely revolved around a semi-ascriptive<sup>xxvi</sup> hierarchy of seniority encased within a closed community that was principally determined by the number of years of continuous service that each employee had attained. This method of hierarchical determination itself, because of the nature of recruitment at regular intervals of employees on graduation from school and university and the perceived need to pay a living wage commensurate with the employee's stage in life, was effectively reduced down to age and educational background becoming the basis of personnel administration. Much of the academic literature on the system indeed confirms this in presenting the ideological and practical foundation of the 1950s and 1960s age-based pay and promotion system as a normative expectation that the employee's personal expenses would rise as he married, had children, and then sent his children to school and perhaps college (Nakamura and Nitta, 1995 and Nishinarita, 1998). Indeed, the reverse is also true in that such mechanical

and ideological structures placed constraints on people's behavioural parameters and helped to mould the life-course among Japan's salaried middle-classes and their families into a standardised, institutionalised, and normative system of patterned dependence on the organisational community.

Although there was an understanding that long-term on-the-job training and rotation systems required employees to spend a minimum number of years in various related positions in order to develop the breadth and depth of skills necessary for progression to management, and this places structural limits upon the speed of promotion, the system worked in practice as a method for advancement for the whole cohort up through the corporation and it was only when employees reached management grades that merit came to be included as a consideration for placement and promotion<sup>xxvii</sup>. A practical consequence of this ideology was that age and educational background were the principal determinants of the rewards obtained as a result of promotion through the system and that all the attributes of the system were implemented under the basic, but always implicit, assumption that the employee would work at the company until the retirement age and, finally, that the employee could rely on the company even in retirement because he would be paid a retirement bonus based on the length of his service. In the following excerpt from his explanation of the above system, the Company A Personnel Manager explains the circumstances and ideologies that underpinned the practical application of the system from the point of view of management.

... 1960, at that time if you ask what kind of era it was then it was the period of rapid economic growth. ... At that time at our company the style of dealing with workers and the pay system was age based ... it was based on the principal of seniority. The company's system, or the personnel system, was based on the ranking system. Our training was based on improving and developing human resources and we used a cycle where employees were moved from one position to another and that way we could develop the employee. It was based on that way of thinking ... so ... we trained the employees over a long period.

Concretely, how was this done? Well ... combining OJT, on the job training, and Off-JT. ... While being made to do the work the employee was made to learn how to do it. So, that traditional system of job rotation ... not so much one speciality but various experiences to give a wide range of abilities ... in that way we could develop the employees. That's completely different to Britain isn't it? ...

For wages ... It wasn't a job related salary system. The structure was basically one based on ranking but ... in the end continuous service. Seniority, and age and so on were extremely important. Abilities and so on were not really included ... instead academic record, if one graduated from university for instance, improved wages ... but it was a system based on the thinking that those that entered at the same time and occupied similar positions would get similar wages. It was a system with

regular increments in pay according to age and so on.

Retirement payments were also calculated more on the length of service than on other factors ... it was based on a fixed retirement age (*teinen taishoku*). Continuous service was extremely important.

As far as lifetime employment was concerned ... There wasn't very much movement between companies and so there wasn't really an economics-style labour market in existence. About that, loyalty to the company thus increased among us. So ... recruitment at regular intervals was an important part of the system ...

### **Personnel Manager, Company A, Early 40s**

Reinforcing this view, below, are excerpts from an interview with the Director of Corporate Information Services at Company B, who joined his company in 1961.

... at that time, once you entered the company, for ten years you would do various jobs and then become *kakarichou* [assistant manager] and then after fifteen years *kachou* [section manager]. Mostly that was the progression. At that time the Japanese economy had no problems and so, as long as you didn't say that you couldn't do the work or something like that, then the company grew and so the organisation did too ... and so more or less everyone would become *kachou* and then *buchou*, but of course not company president! For a long time every company in Japan was like that and were growing bigger.

... it is often said that a characteristic of the Japanese system is lifetime employment. However, I said earlier that I had never heard the company make that promise but I think it [lifetime employment] exists in the company. The effect of Japan's economic growth has been the existence of it, even though there has never been a contract to that effect.

... until now another characteristic of the system has been seniority based promotion. That is to say, as people got older so they were promoted. Within those conditions work was decided. It was expected that know-how developed and grew with the time that people spent in the company and so more than years of service, in actuality it was age that determined the system.

... why were wages determined by age? That is because after the war Japan was very poor and so wages were determined by age and the older one was the more one was paid. Living costs were high and so it wasn't so much how long one had been at the company but how old one was. So, realistically, those that had reached their fifties or so, their children were becoming independent and so their living costs were lower and they were paid a little less. At that time, the retirement age was 55 and there were none, except directors and so on, that remained past 55. There was a direct link between living costs and age.

### **Director, Company C, Late 50s**

A number of important points derive from the above statements and the first is that the establishment, maintenance, and growth of a personnel management system based on very long-term, or permanent, employment was dependent to a large extent on the performance of the Japanese economy as a whole as well as the individual corporation. The period of high speed growth of the late 1950s and 1960s, thus, provided the economic framework within which the lifetime employment and personnel systems could function in a state where all its internal attributes were in a state of organic compatibility.

Secondly, it is also important to stress that the recruitment and personnel management systems were not based on a system of job functions or specific tasks, what Storey, Edwards, and Sisson (1997) call “career chimneys”, but arranged around the acquisition by all employees of a broad range of skills within a ranked hierarchy. That is to say, employees were, on the whole, not recruited on the basis of any specific or previously acquired skills or knowledge, excepting those gained by nearly everyone that progressed through secondary or tertiary education. Once inside the organisation neither wages nor career advancement were based on specific functional capabilities or the acquisition of specialised skills and abilities other than those nearly all employees were required to possess in order to progress to the next rank. Thus employees did not consider themselves to be, say, marketing, law, or finance careerists first and company members second. Instead they felt themselves to be simply and completely company members and they possessed the expectation that so long as they could fulfill the requirements of the personnel management and training systems in gaining the required set of capabilities within a specific, though not unusually fast or slow, period of time, could complete their immediate work tasks to the satisfaction of supervisors, and, importantly, they did nothing drastically wrong, they could be promoted to the next level along with their colleagues from the same cohort.

Third, the employment system consciously mirrored and, in addition, served in a seductive and subliminal manner to reinforce a semi-ascriptive life-cycle for the salaryman. It was fundamentally a closed and cyclical system, at least in terms of the passage of the generations, which, under a high-growth regime, allowed for phased entry on graduation and exit on retirement and, thus, was a self-contained social unit. Job content and personnel movement were determined by the personnel department in consultation between the employee’s immediate superior according to the long-range allocative requirements of management with precious little input from the employee himself as to where or when he would like to be posted. It allowed for almost no mid-career entry and early voluntary exit resulted in, except in extremely rare cases, a drop in status as well as income. Salary levels within the cohort varied little according to ability and productivity, thus resulting in externally controlled status achievement becoming the defining criterion for signalling success to others within and without the system as well as to oneself. Moreover, the strength and effectiveness of the system

can be revealed in its normative power to introduce semi-ascriptive structural rigidities into social systems external to the corporation such as in education, the urban family, and external labour markets<sup>xxviii</sup> (Nomura, 1998, Takeuchi, 1997, and Yano, 1997).

### ***Systemic and Ideological Compatibility in the Japanese Lifetime Employment System***

The above discussion leads us to another aspect or consequence of this structured or semi-ascribed hierarchical life-stage oriented approach to the salaryman's career. Rational and reflexive self-determination of a future oriented authentic linear career path and life-span within a continuously flexible range of possibilities simply was not, and never had been, available as a realistic possibility even to the graduates of Japan's most elite educational institutions and, thus, was not within the realms of most people's consciousness as they grew up and worked throughout most of the post-war period.

In such an environment, most people followed, and were expected to follow, a line of least resistance through the education and on into the corporate employment systems. They voluntarily and enthusiastically did what they felt was expected of them, or at least what they believed to be possible within the realm of their perceptions from among the limited range of options available. Thus, externally ascribed role-fulfillment as a social, corporate, and familial duty was a strong normative motivation towards achieving, securing, and maintaining physiological and material stability and security for oneself and one's family through contributing to corporate expansion.

However, we must be careful not to cast pejorative interpretations on the functional and ideological characteristics of the system since it was a positive, expected, and voluntary passivity<sup>xxix</sup> in that individuals on the whole unhesitatingly and willingly accepted the roles that were ascribed to them by the corporate system and almost unthinkingly sought security and stability within the confines of that system. There was a complete acceptance of the institutional arrangements of the system itself and trust in the motivations and capabilities of management. In addition, challenges to its existence and structural composition were almost non-existent after the achievement of the late-1950s labour-management compromise. The following quotations from employees who joined their companies in the 1960s and early 1970s serve to emphasise the above points.

Q: When you joined did you want to stay until the retirement age?

Yes, at that time, as well as now. That kind of Japanese tradition was strong at that time and, especially I didn't think at all of giving up. Even if I had wanted to give up, realistically, I couldn't have given up. That is to say, the labour market ... now it is becoming fluid but ... it wasn't a time where it was easy to change company even if you wanted to do so. So, even if I gave up at [the company], where would I go? If I looked for work with bad conditions at small and medium sized companies I could

have found some but ... at first rank companies I couldn't. It was that kind of era. ...

**Director, Company D, 56**

Q: When you joined did you want to stay until the retirement age?

I can't confirm that I clearly felt that I would definitely stay until the retirement age. Probably. Also those people around me didn't feel that they would definitely stay until that time but ... one thing is that when one entered a big company one knew that one could expect a feeling of security. Also, big companies operated annual salary increases and the welfare systems were of a high standard. When I joined, as I said, I decided for economic reasons to find a job and at that time I did it because I wanted security ...

Q: So, did the company promise you that you could stay as a regular employee until the retirement age?

No. Not at all. For example, I have experience working at the American subsidiary, and if there is work the company needs people to do then they go out and find them if they cannot find them from within the company. That person can do the job properly and they make a contract. But in Japan, in my experience I have never seen the company make a contract with a regular employee. Of course, when one enters the company there is a letter of appointment from the company to the employee and there are other papers concerning salary and so on but I have never had a contract. And I have also never seen a contract or a promise from the company saying that they will employ someone, say, for the next thirty or thirty five years. But, at that time when I was in my twenties, those salaried men who were in their fifties or so had for the most part spent thirty or so years in the company and there were quite a lot of them around. So, I thought that if I worked diligently then that would probably happen to me. But I didn't expect it, if that is what you are asking.

Q: Was that important to you?

Yes, it was important, I think.

Q: During the 1960s, how did you think about things such as self-fulfillment and so on?

At that time, I didn't think about self-fulfillment as an individual. I simply entered the company ... I didn't enter the company to do anything in particular ... it was a big and

famous company that offered security and was well regarded in society. So, in my twenties I thought it was normal to work hard and I didn't think that I should try to make myself appealing to anyone for any particular reasons. I just wanted to work hard ... At that time, people worked for the company organisation and not for oneself as an individual. It was expected at that time that the individual did not work for himself but for the organisation. So, I didn't think in any other way really.

**Director, Company B, Late 50s**

Q: When you joined did you want to stay until the retirement age?

At that time I did. It was twenty five years ago and, of course, Japanese companies' employment structure operated lifetime employment and seniority pay and promotion. Everything branched out from there. I didn't know of anything else. Naturally, when I entered I thought I would be here for the rest of my life. ...

Q: So, since joining and up till now what has been the most important to you in your work?

At that time there were ... banks, trading companies and so on and most of the people from my university went into them. Few went into manufacturers. ... well the salary was high but ... I had no interest at all in joining a bank. (Why?) The work wasn't interesting, I thought. Its not like now when there are lots of different types of work in banking ... As far as work is concerned if things are being made where I am and then sold and after sales service is being provided ... it is deeply interesting, I think. Banks ... well, they just deal with money and so as far as self-development is concerned well ... its better to work at a manufacturer. ...

Q: For whom are you working, do you think?

... When I was working overseas my feeling of working for the company's benefit was extremely strong. When I talk about the company of course I mean the profits of the whole company but also I mean for my superiors and my colleagues. When I was young I felt that very strongly.

Q: Do you think the company's future is your future?

Yes. A partnership of fate. I had that sense. Nowadays most people are quite different but ...

**Manager, Company A, 48**

Q: Do you think the company's future is your future?

If I am here forever then my work helps the company to develop and so its like that I suppose. But ... in another way those that have a skill and develop it by going from one company to another then their future is their own but when one develops one's skills within the same company and it helps you and you help it then in some sense you become one and the same thing.

Q: Are you a specialist more than a company worker, do you think?

It's complex. If you were to ask me what kind of work I do I would reply that I am a [company name] member and I probably wouldn't think of answering that I am a specialist in [product] manufacturing.

**Senior Manager, Company A, 48**

Q: When you joined did you want to stay until the retirement age?

Half and half, I think. That is to say, in Japan the custom, or trend, was to enter the company and work until retirement age. With my father that happened too and so, I too, half and half, thought if there were no problems that I would enter a company and stay there until the retirement age. But one enters without knowing much about the company and the type of work and so I didn't really know whether it was really suited to me. I didn't have that confidence. So I sort of had the feeling that if it hadn't suited me then I probably would have changed. But, mostly, I thought, if there weren't any problems, then I would probably work at [the company] until the retirement age.

Q: If you had wanted to change when would have been best?

Well, in my personal opinion, within five years of entering the company.

Q: So why didn't you change up till now?

Well, when I finished the initial training that I received immediately after entry I belonged to the [financial service] Division. It is a very active division and young people are given a lot of authority and opportunity. So the first year or so I didn't really understand it, but in the second year I felt that it was a great challenge. So it was interesting.



Q: Was a feeling of security important, do you think?

It was important yes.

Q: Was it the most important thing?

Whether it was the most important or not is a very difficult question I think but, for me the most important thing to think about is that you can't change your family. You can change your company, you can change the type of work, or business sector, I think. So, with your family at home and if you really feel that you dislike your work then you can change it.

Q: So maybe, psychological aspects are more important than material aspects, do you think?

Well, that's an extremely difficult question. For me, if I don't have economic security then it has an effect on me psychologically. There's a Japanese expression you may know and it says that if you can eat enough today then it is the first step to being rich tomorrow. So, economic security is very important I think. If you have that foundation you can then do the work you like.

**General Manager, Company C, 48**

What the above quotations reveal, in addition to providing much qualitative supporting evidence for the structures and ideologies discussed above, is that a more nuanced understanding of the lifetime employment system and how it meshed with people's lives needs to be considered. While a reflexively constructed, future oriented, and authentic life-span was not a realistic possibility for the majority of employees in Japan's large corporations, two aspects of the system stand out to counterbalance an overly structured interpretation of the post-war system. The first is that, particularly by the late 1960s and 1970s, people felt that real alternatives did exist in their choice of career and they considered and acted on them. The second is that some kind of self-actualisation was not impossible if one considers the possibility that employees felt themselves to be inter-dependent members of a corporate body or community.

When looking for work the expression *shuushoku* was and is customarily used by high school and university students. However, this is a misnomer since a direct translation into English renders it as "job-hunting". On the whole, except those going into vocational careers such as medicine, soon to graduate Japanese students did not and do not look for a job, if a job is defined as a skill or occupation, but for an organisation within which they can develop their lives and careers. On the contrary, therefore, what students are really doing is *shuusha*, or company-hunting<sup>xxx</sup>. Even in the 1960s and 1970s when the number and variety of companies

was much less than today there was a real choice of career available if one sees the process of job-hunting in this light<sup>xxxii</sup>. Within the normative standard of the post-war employment system students have typically gone to great efforts to search for the company that most conforms to their perceived long-term needs, desires, values, and expectations. Moreover, entry into and progress through the company are marked by various ceremonies and rites of passage that combine to give the new employee a sense not of having to perform a specific task but of joining and being absorbed into a community where the individual's contribution is primarily for the long-term benefit of the whole with personal benefits arising as a natural but secondary consequence of the growth produced by this collective effort. According to this understanding of the individual's roles, duties, and expectations within the corporation, self-actualisation within the context of a growth-oriented production community is possible in a paternalistic and semi-ascriptive hierarchy if one takes the standpoint of the employee who internalises corporate ideologies and identifies his own interests and goals with those of the organisation in a corporate partnership of fate<sup>xxxii</sup>.

It is perhaps appropriate here to introduce the concept of *mura shakai*, or village society<sup>xxxiii</sup>. Although the analogy must not be taken too far or too literally, most Japanese consider themselves at one time or another during their lives to be absorbed into various closed functional and ideological groups and organisations, or villages. These groups and organisations are not unlike idealised constructions of the pre-modern village in that events such as entry into the corporation and promotion to management, or birth and coming of age, are marked by various rites of passage, customs, and ceremonies signifying to oneself and the rest of the group one's role and status. Moreover, it is extremely difficult to be accepted as a member of a competing group or organisation, or neighbouring village, if one either decides to leave or one is expelled for transgressing the normative behavioural codes too seriously and or too often. Thus, it becomes important for the individual to immerse himself into and become absorbed into the group by internalising its behavioural and ideological standards and dynamics in order that he can secure his place, gain the trust, respect, and liking of his colleagues and superiors, and thence progress up through the hierarchy. In addition to possessing a basic instrumental loyalty, therefore, the individual voluntarily and even consciously and deliberately develops and internalises an affective loyalty to the group or organisation. This pattern of long-term affective membership of distinct and singular social entities is, of course, a long way from the open-ended, individualistic, and economic ideology underlying labour relations in Anglo-American market capitalism today. Bruce Feiler vividly and engagingly captures the spirit of this process in his description of his arrival at and entry into the organisation where he was to spend a year, "As a newcomer in Japan, I would be welcomed into my office as I was welcomed into this world: with a bare body and a fresh bath" (Feiler, 1991: 2).

Once accepted and absorbed into the corporation the actual content of the work that salarymen were expected to perform was, for the most part, not contrary to either their desires and values or their expectations. Indeed before entering most salarymen had little inkling of the

particular work tasks they would be assigned and, once inside, were not overly bothered by whether the work accorded with their personal interests. Rather, they were more intent on becoming a useful part of the corporate community and consequently were prepared to do almost anything they were assigned if it meant that their contribution would enhance the survivability of the whole. Many salarymen did, somewhat coincidentally, find the work interesting, challenging, and valuable and they gained satisfaction from it. Overcoming the steadily increasing difficulty and challenge that came from slowly rising up through the corporation was a stimulating and fulfilling experience, so long as this was viewed from a standpoint of achieving individual fulfillment as a secondary consequence of accepting one's status and duties within the existing corporate hierarchy.

However, this sense of fulfillment cannot be seen in the same light as the individualistic and somewhat self-absorbed preoccupations that Giddens describes. A limitless and unbounded biographical trajectory of personal growth and authentic self-actualisation it was not. The structural limits that existed were not experienced as preventive encumbrances but rather either neutrally as existent facts to be negotiated or even positively as markers denoting the boundaries of the corporate zone of comfort and stability beyond which it was potentially unsafe and even self-destructive to proceed. It must be understood that, in the social, economic, and political context of Japan's post-war developmentalist ethic, an ideology of self-directed fulfillment and individualistic realisation of one's authentic personality would have been considered, to repeat Loiskandl's (1998) description, close to committing the equivalent of "original sin" because it would be considered a violation of the social aesthetics of trans-rationality. As the above responses show, although real career choices, at least in the sense of choosing a company and its business sector, were available, to subordinate or put aside one's own personal, and perhaps selfish, work desires in order to be a salaryman<sup>xxxiv</sup> who is an integral member of the corporate community was a positive value for many people at that time.

Nevertheless, given that self-actualisation might be possible within a semi-ascriptive hierarchy we must then consider how modern this way of thinking is and, again, we are led to the conclusion that the corporation is, or perhaps was, an intermediate, or trans-modern institution. In the circumstances that existed in the post-war period choice was possible and was rationally and reflexively taken by individuals when considering which corporate community to enter. However, these social hierarchies and the behaviours and demeanours they demanded were internalised by employees and, although they operated within a modern economic system, they did not possess completely modern social elements. Rather, the psychology of development of self and community, while not being resolutely pre-modern, was a recrystallisation of elements of Japan's pre-modern society within a modern developmental economic framework.

### ***Flexibility and Adjustment in the Lifetime Employment System***

The above arguments demonstrate that, in terms of the schema for modernity laid out in

chapters one and two, the paradigm of the post-war Japanese lifetime employment system in large corporations is a transitional institution and the principal life values as played out in the work context of their core male white-collar employees are indicative of a trans-rational and trans-modern, consciousness. Nevertheless, the lifetime employment system has never been a static phenomenon but has continuously evolved and adjusted and, moreover, it possesses enormous flexibility in its ability to weather external pressures and yet retain its essential character of providing permanent employment at a single institution until the designated retirement age.

Turning once again to the work of Ronald Dore, in a collaborative effort written for the OECD he wrote that, even in the late 1980s, “The system seems to be of undiminished strength” (Dore, Bounine-Cabale, and Tapiola, 1989: 26). Both in this book and in his own *Flexible Rigidities: Industrial Policy and Structural Adjustment in the Japanese Economy 1970-1980* (1986), he readily concedes, however, that the employment system had been undergoing internal adjustment as a result of macro-economic pressures resulting from the very success of the system itself as Japan gained its place in the top rank of world economic powers. Dore’s contention was that, instead of the type of numerical adjustments that American and British firms practiced in their reactions to external economic pressures, the Japanese firm was able to protect and maintain the principle of lifetime employment for core company members through a phased response of ever increasing urgency from product diversification through recruitment freezes, scheduled retirement, internal redeployment, transfers to subsidiaries, laying-off of temporary and part-time employees and so on. Lastly, “the final and least attractive alternative is to break the implicit lifetime employment commitment” (Dore, Bounine-Cabale, and Tapiola, 1989: 32). Thus, the Japanese firm is able to combine various forms of numerical flexibility with the functional flexibility of work process adjustment and employee redeployment to create long-term adaptability to external economic pressures while protecting the principle of lifetime employment for the core permanent workforce.

As early as 1958 James Abegglen had been questioning the long-term survivability and the apparent rigidity of the lifetime employment system and questions as to its durability have been raised repeatedly since then (Cole, 1971, Rohlen, 1979, or Whittaker, 1990), sometimes with barely concealed glee at the prospect of the impending collapse of the Japanese economic goliath (McCune, 1990, or Robson, 1994). To be sure, the system has produced some unedifying effects, such as excessive competition for promotion, poor treatment of peripheral workers (Chalmers, 1989 and Kamata, 1983), colonisation of the upper echelons of affiliated companies’ career ladders (Skinner, 1983) or the critical social problem of *karoushi*, death from overwork. More recently, there has been a marked increase in suicides by men who are either over-worked to the point of mental exhaustion or who have suffered the humiliation and ignominy of not being able to fulfill their social obligation as male providers for their families because of being restructured out of the corporation or, even, the company going bankrupt<sup>xxxv</sup>.

By way of a lighthearted example that illustrates some of the extraordinary lengths to

which employees have been prepared to go in their efforts to conform to and succeed within the system, an article on salarymen from the 5 July 1974 issue of the weekly magazine *Shukan Asahi* relates the story of a man who, while acting as a coordinator for a golfing party, was hit squarely on the head by a golf ball. In clear difficulty, he felt that he should stoically grin and bear the pain and humiliation not only because his task was to secure a much needed commercial bank loan from his guests, but also because he wanted to preserve a harmonious atmosphere with his colleagues and with the bank in order to gain a promotion. Although he collapsed after he arrived home at the end of the day, he managed to gain his promotion<sup>xxxvi</sup>. The article then goes on to make the absurd claim that pressures were becoming so great that workers could not even afford to be unfaithful to their wives for fear of their boss discovering the indiscretion and having it damage their chances for promotion!

Although such articles might provide a little much needed levity for over-stressed salarymen, their dark humour simultaneously indicates and conceals a more significant development. That is the long-term progressive intensification of pressures on the Japanese firm, the employment system, and the salaryman that works within it. These pressures are a product both of short-term shocks and, more significantly, structural changes in the Japanese socio-economic and political environment. They include the oil crises of the 1970s, drastic realignments of the yen's trading range, increasing competition as a result of the internationalisation of the Japanese economy and economic globalisation, liberalisation of government regulations in domestic markets, the falling birth rate and rapid aging of the labour force, a steadily rising proportion of university graduates in the labour force, an increasing proportion of women wishing to participate in the labour force on an equal basis with men, and changing values among younger Japanese workers.

Even as early as 1967 newspaper articles were stressing the perceived need for companies to pay greater attention to merit and ability in their personnel administration systems and were highlighting examples of changes that appeared to signal a more economically rational approach to pay and promotion in response to a changing external environment. However, what is also revealing about the content of these articles is that at this stage there appeared to be no immediate threat to the principle of permanent employment and any changes that were occurring to the system, as Abegglen and others concluded, were happening at the periphery. Moreover, many accounts at that time, as well as now, reported on corporations' *intention* to alter their systems rather than providing much solid evidence of *actual* change.

A series of articles in the *Nihon Keizai Shimbun* called *Sarariiman Jidai* (Age of the Salaryman) serves well to illustrate the above points. A 19 March 1967 article entitled "*Hiromaru 'Senmonshoku Seido'*,"<sup>xxxvii</sup> (Specialist system gaining ground) deals with a Nihon Nouritsu Kyoukai<sup>xxxviii</sup> survey that claimed more than half of all companies listed on the first section of the Tokyo Stock Exchange had already, or were *considering* introducing, a specialist career promotion track. It was reported that companies were doing so because of liberalisation of labour markets for technicians, the need to computerise production, and the rapid increase in

the number of university graduates entering the labour force. Yet, only seven days previously the same column, in an article entitled “*Sekinin Kaihi Kono Nanbutsu Taiji*”<sup>xxxix</sup> (Getting rid of the difficult problem of responsibility avoidance) the newspaper had berated Japanese corporations and salarymen for continuing to foster “*kotonakareshugi*” (the principle of adhering rigidly to established procedure [against rational arguments for change]) by preserving the seniority-based pay and promotion systems contrary to powerful arguments for reform.

There is no escaping the feeling that Japanese managers and employees believed themselves to be under both gradually intensifying external pressure derived from the long-term developments outlined above and, in particular, the effects of the comparatively short-term but significant oil shocks. However, it is also impossible to avoid the feeling that these developments, at least until the 1990s, had little effect on the employment practices of large corporations other than that of gradually and almost imperceptibly raising the importance of economically rational merit-based systems of evaluation for pay and promotion. For example, in the late 1960s and early 1970s many companies for the first time introduced MBO (Management By Objectives) systems of motivation and evaluation. Known in Japan by a variety of names, the most common of which is *mokuhyou kanri seido*, these systems are designed to respond to the increasing desire of employees to have their needs and desires reflected in the content of their work and the increasing requirements of personnel departments to motivate and incentivise employees by devising quantifiable goal oriented systems of personnel management backed up by evaluations of the employee’s level of achievement which can then be used to assist managerial judgments about suitability for promotion<sup>xl</sup>. Yet an article in the *Nihon Keizai Shimbun* in April 1974 concluded that, based on data obtained from the Ministry of Labour’s survey on wage structures, there had been little change in the Japanese managerial custom of “*nenkoujoretsu gakurekijuushi*”, or educational background weighted seniority-based pay and promotion<sup>xli</sup>.

Lastly, press articles from that era and field-work interviews both give off the distinct impression that the 1970s and 1980s were the beginning of a watershed for Japanese corporations and salaryman in their consciousness. Drawing once again from the interview with the Personnel Manager of Company A, he explains how he understands the context surrounding and the extent of adjustments to the system in his company during the period.

... in the early 1970s there was the oil shock and from that time the environment gradually changed and worsened. Also the aging of society progressed and the number of administrative posts declined ... and white-collarisation also progressed and so because of that a system based only on age had to be changed.

... [At that time] there were very few university graduates and with the expansion in higher education there were many more university graduates and ... so we began to base the treatment of employees on their abilities (*nouryoku*). ... If you ask what kind of abilities then it is the employee grade that is used as the basis.

... the [pay and promotion] system we have now is pretty much the same as that one. There have been a few adjustments such as more emphasis on ability since then but ... the basic system is more or less the same and about 50 percent is now based on ability and 50 percent on age. That's the kind of system we adopted, I believe. ... So that was the system, ability plus age.

With training it was based also on the grading system. In wages there was introduced a job ability element. If you ask what is that then using the grade as a base the salary is decided, along with age. With managerial positions being reduced the salary basis was shifted so that whether your managerial role rose or fell you received the wage based on your grade and age.

But, how is the ability element increased? The basic principle is not at all clear. That is to say, it is not the job but the person's ability and that is very vague and impossible to accurately evaluate, at least difficult to evaluate. That's a very difficult thing to do but nevertheless we continued to try to increase the ability-based elements and reduce the importance of age-based elements. So we gradually moved around to that type of system.

As far as the retirement system is concerned we introduced a retirement system based on years of service but with other things added. Mid-career recruitment and the fluidisation of the labour market affected it because the number of university graduates was increasing and so that means there were more people changing jobs ... not as much as now, but still it was happening. Those with a short period of continuous service could not receive very much and we wanted to increase the amount they received by a little.

#### **Personnel Manager, Company A, Early 40s**

The following passage is taken from an interview with the General Secretary of the same company's labour union and is his summary of how and why labour management relations evolved in the post-war period. It confirms and demonstrates that the principal union demand was for long-term material security for all members and, although he concurs that was the principle employee need, by 1965 lifetime employment had become so well established that the union did not feel any need to campaign on this issue and could concentrate its energies on trying to gain real increases in living standards for its members. Moreover, the interview also shows how labour management relations and union activities were gradually adjusted from the 1960s and through the 1970s and 1980s into the present to take account of changing circumstances and ideologies.

At [the company] there are two unions. Our [company's] Labour Union was set up in January 1965. ... there was originally another union set up before that time as the company was set up again after the war. Its background was in the Communist Party

and there were a lot of strikes which had a great effect on production, and the company nearly went bust. Various volunteers realised that this could not go on and so they set up another union. This was in 1965. Many years after the original union was set up it broke the agreement with the company and so we set up a formal agreement with the company to represent the workers and thus became the official union. So, we don't try to obstruct the company's production and we leave the management of the company to the company and we have a basic stance of cooperating with the company.

Q: At that time, from 1965 till now, what have been your most important activities and demands?

Our activities can be classified by three pillars ... in the Showa 40s, or the 1960s and 1970s these were our most important aspects of working conditions and the most important was wages, then the reduction of working hours, and welfare. From the 1970s we concentrated more on events, mutual aid, and services that the union could provide. From the 1990s and into the next century we will concentrate on these things. We don't participate in management like they do in Germany but, as far as management is concerned we provide advice and proposals and so on. This role is growing, I think.

Q: In the 1960s and 1970s, was the most important thing the provision of security for union members?

Yes, we wanted to secure living standards and this was an important objective since at that time living standards were quite hard and there was inflation every year and so we tried hard to gain annual increases in salary. This was the most important topic.

Q: So, was lifetime employment taken as a matter of course then?

Yes. Lifetime employment, even now it is very much taken for granted.

Q: So, beyond that wages and living standards were important?

Yes, above that wages were the most important thing.

**General Secretary, Company A Labour Union, 40s**

Below the Company C Personnel Manager stresses the continuities that he thinks remained in the system between the 1960s and 1990s. Although he implies that developments occurred before the 1990s, he believes decisive change has only begun appearing recently in response to



slow growth in the Japanese economy as a whole.

... looking at it, the biggest change happened during the bubble. ... From the 1960s till that time it didn't really change at all. From 1990 things began to change. I have that feeling. Why do I say that? The Japanese economy had progressed continuously and until that point we increased the number of our regional offices and the number of employees year by year and work increased year by year too. From now we will not experience that kind of growth. People have all the things they need because they are now wealthy and so [the company]'s income, just like most other company's, will not increase steadily like it did in the past.

In the past people entered and expected to be treated in the same way as before, but from now it will change quite a lot I think. In the future, basically ... well in the past we just recruited using university connections in the company. *Sempai* would be dispatched to the universities to recruit good candidates. From now on we won't do that ... More than deciding on the basis of the name of the university we will think about their qualities and why they want to work at this company.

**Personnel Manager, Company C, Late 40s**

Next, the Tokyo Branch General Secretary of the Company B Workers' Union explains white-collar employees' consciousness at that time. Again, he describes the 1960s and 1970s as a single period in contrast to the present. His explanation, moreover, confirms many of the arguments already discussed regarding the internalisation by company members of a communal ideology at work within the corporation. Like the above interviewee, in his opinion decisive change began to appear in employee consciousness only comparatively recently.

... White-collar workers in the 1960s and 1970s were happy if they could help develop the company. They were happy if the company was successful ...

Q: Did people in the past put the company's success in front of their own?

Yes. If the company succeeded it would become bigger and its social prestige would increase and those people would feel that their own value had increased, I think.

Q: Did those people not think too much about their own development and realisation, do you think?

... well ... that's difficult. They thought that their development and realisation lay in being promoted within the company.

Q: So, the meaning of self-development and self-realisation is gradually coming to change, is it?

Yes. Before, promotion was one's development and it signified success but now it's having one's work recognised. Gaining a higher position is not so important. Of course, one needs to be promoted if one wants to do that kind of work but being promoted is not the objective so much as the work itself.

Q: Did people in the 1960s place security over self-development, do you think?

Well ... people thought about their own development and self-realisation but for them the development of the company and their own development were one and the same thing. "If the company develops then I develop" was the way of thinking, I think. So, on the contrary, those in the 1960s and 1970s didn't think that if one develops oneself then the company cannot but develop. Instead they thought they would be part of one company from when they looked for a job until the retirement age. Also, they thought that whatever work they did, if they didn't get to become section or department head then they could not be well regarded in society. From those two things one can conclude, I think, raising one's family depends on the development of the company and that will lead to oneself being more highly regarded. So, if one didn't develop oneself that was OK, they thought. They thought that the only way to develop was to develop the company.

**General Secretary, Tokyo Branch, Company B Labour Union, Late 30s**

Lastly, in the following interview, we can see how the stresses occurring in the 1970s external environment affected individual salarymen. We can understand from this account confirmation of Dore's contention that the system possessed flexibilities within an outward appearance of rigidity. In addition, the excerpt below shows that not all Japanese salarymen conformed so readily to normative corporate ideologies. Some, even at that time, possessed a more self-centred, but by no means individualistic, desire for self-determined individual achievement.

As far as this interview is concerned I am a rare and, I think, interesting case. I am a mid-career recruit. Until university I was [here] and on graduation I joined a manufacturer, [a shipbuilding company]. I was in their research department. About 12 years ago, when I was around 39, I returned [to this city] and joined [this company].

Q: What were your aims at high school and university?

When I was at university it was just at the end of the period of high-speed economic

growth. ... Against this background I graduated and I was influenced by the atmosphere of heavy and automobile industries, and I wondered what plan I should create for myself. I continued at university and did a Master's degree, so I actually left university in 1973.

Q: Why did you choose [the shipbuilding company]?

Originally I thought about [other large heavy industrial companies and manufacturers], all here, but I thought I would like to work [elsewhere] as I had lived here from birth until leaving university.

Q: When you joined did you want to stay until the retirement age?

Yes. At that time it was normal, there was no feeling of restructuring like there is today. I wanted to work there until the end. My father was also a salaryman and worked at the same place until his retirement and I thought that I would like to follow the same route. ...

Q: So, why did you leave [the shipbuilding company]?

The period I joined was at the peak of the shipbuilding industry. After that was the Nixon and Oil Shocks. The yen began to rise against the dollar from a level of 360 yen to the dollar. Before that Japan was able to export a lot, but after that things changed and export competition intensified. After the two oil shocks orders for tankers dropped rapidly. ... From then on South Korea began to gain market share and the yen continued to rise and competition became much tougher. It was a really tough time, structural recession caused heavy industrial enterprises great difficulties. We tried lots of new things, but the company shrunk in size anyway.

Q: Were you laid-off or did you decide to leave on your own accord?

No it wasn't like that at all. We didn't feel at all that the company was forcing us out. I decided for myself. I felt somewhat lost, that my life-plan had collapsed. I wanted to continue to use my specialty rather than take on a new role. So I had to think again about what to do.

Q: So, you joined [this company]?

Yes. At that time I knew someone in the company and I had a chat with him. He knew

a lot about the structure of the industry and invited me to join the company. I had thought seriously and wanted to continue in my specialty and looked for a place where I could do so. I was offered a possibility to do so at [this company].

**Chief Research Editor, Company D, 50**

Turning once again to Hasegawa's (1993) idea of "organic" and "contrived compatibility", he posits the theory that the post-oil-shock period in Japan was one of where the organic confluence of interests achieved in the 1950s and 1960s was being challenged by subsequently slower growth and pressures resulting from increasingly severe international competition. These pressures had forced modifications in the Japanese management system and Hasegawa concluded that the evolving system, while remaining true to its origins in a fundamental sense, could be described as being an artificial, or "contrived compatibility", between the interests of labour and management as both sought to preserve a system under great pressure through the introduction of rationalisation measures.

While management and employees understood that fundamental changes were occurring in the external environment, the system possessed the flexibility necessary to preserve its basic character, albeit with some adjustments. Importantly, Mari Sako (1997) poses the simple proposition that the stability of the Japanese employment system rests on both the desire of the company to offer security and the desire of the employee to take it. In the 1960s and 1970s it appears that both sides of the labour-management divide held that desire. However, by the 1970s stresses in the system had built up to the extent that management found it necessary to introduce rationalisation measures to personnel administration not because they wished to weaken the system but because, in the face of circumstances that appeared to be conspiring against them, they wished to preserve it.

### **The Lifetime Employment System as a Trans-Modern Institution**

The apparent dualism between economic rationalism and social trans-rationalism is peculiarly characteristic of Japan's modernity. That is to say, a fictive traditional ideology was reflexively reconstructed and imposed by management for modern and instrumentally rational economic ends but was positively accepted by employees in a non-reflexive manner akin to the way traditional ideologies are often received as being unquestionably correct in pre-modern societies. Furthermore, not least because of the influence of the ideas of social scientists themselves, as employees became managers the ideology of lifetime employment became even more entrenched within the corporation and wider society, consequently attaining a cultural legitimacy above and beyond its economic rationality and becoming a normative social condition.

Recollections by employees, managers and union leaders were used as the principal empirical data for this chapter because these memories display both evidence for a particular ideology situated in the past as well as demonstrating something about the present-day world

view and way of thinking of the respondents. Interviewees told how their needs and expectations on entering their companies were both economically rational in desiring security and stability at a time of material uncertainty, as well as socially trans-modern in that most followed a line of least resistance into and through education and employment in a non-reflexive and received but positive manner. The evidence shows how the employment system itself was given a fictive pre-modern legitimacy by management in order to embed employees into the organisation and encourage them to work toward mutual material gain and social advancement. This fictive traditionalism can be seen, for example, in the seniority-based pay and promotion systems that came to take on the trappings of a new system of received hierarchical ascription based on educational achievement and age.

However, interestingly, respondents on the whole appear not to have reflexively sought to reconstruct in the present rationalised biographies out of their past motives and experiences. Older employees are even now comfortable with and even proud of having accepted and lived within a comparatively received and ascriptive social milieu that stressed a lifetime of duty to, dependence on, partnership with, and absorption into the corporate community as the source of individual and group fulfillment and realisation. Respondents did not express reticence at the prospect of an admission of this kind, stating matter-of-factly how they now believe they felt.

On this crucial issue of the contribution of memory to this research project as well as to qualitative sociological research in general, in addition to providing us with important and context-rich data about how people understood their lives and the institutional arrangements of their past, how people remember as well as forget their experience of external reality gives us an entry point into how they perceive, configure, and represent those memories in the present<sup>xlii</sup>. Thus most respondents, while stating that this was how life and work was for them and that they willingly subscribed to and participated in such a society because they felt it was right and proper to do so, at the same time implied that this way of thinking and way of life was located in the past and, in this sense, contemporary Japan is a different society from what it was.

As well as preparing for the discussions that follow, this chapter was not an attempt to describe in great detail the actual institutional arrangements of employment in post-war Japan, since this has been done many times elsewhere, but to present how people felt at the time about the circumstances of their employment, how they related to and negotiated their path through them, and what we can conclude from this about the ideologies of employment at that time in terms of our theoretical schema for modernity. More significant than the actual circumstances of life and the events that unfolded therefrom is how people felt about and understood these things as they experienced them and how people feel about and understand their past lives in relation to their present circumstances, feelings, and perceptions. For how actors perceive their circumstances in terms of their systems of needs, desires, and values is considerably more important as a source of motivation for behaviour than actual circumstances as academic scholars might understand them.

This dissertation starts from the assumption that economic systems, while possessing

their own powerful dynamic, are necessarily embedded in social structures and systems of social relations which themselves are derived from the basic values of the society in which actors dwell. Although Alfred D. Chandler Jr.'s (1980) research on the origins of the American management system suggests that organisational structures follow from the particular economic strategies pursued by management and that these are in substantial measure an adaptive response to external economic conditions and technological contingencies, external conditions and management decisions themselves must also be embedded in social and cultural values. For when faced with a set of alternatives from which to choose, the actor will decide on the course that most conforms to his or her priorities and objectives and, as much as they come from external exigency or immediate economic need, these emanate from the core values and experiences of the individual as well as those of the human group, or organisation, of which the actor is an integral part. Thus, it cannot be denied that strategy itself, in part, must necessarily also be a product of the cultures and values that managements bring to organisational decision making. Further, it can also be assumed that management decisions, to a greater or lesser extent, must also in some measure be responsive to the needs and desires of other stakeholders, including employees, and that these too, if we continue this line of argument, must necessarily reflect in some measure the principle value systems of the actors involved.

Returning to Hazama's study in historical sociology, it is in the area of social embedding where the importance of this investigation reveals itself most clearly. For while Hazama concedes indirectly that the introduction of the ideology of managerial familism was a conscious and rational decision made by management with the encouragement of a government eager to promote its version of national familism, its long term effects, as well as those of its post-war incarnation in industrial paternalism and welfare corporatism, reveal itself to us as an intermediate and trans-rational, or trans-modern, institution. Further, explicit references to livelihood guarantees, complex systems of welfare for the paternalistic care of employees, and so on, encouraged employees to see the company as a community that possessed the tight relations of dependence not unlike the organic family and village communities from which many employees had only recently left. Long-term employment became, thus, synonymous with membership of and absorption into the organisational community, or village, and it became difficult, if not impossible, to distinguish the psychological and emotional division between instrumental and affective loyalty. Thus, the company had become what Nakane (1972) famously referred to as a "fictive kin group".

The point, then, that Hazama was trying to make was that, however much the tradition of long-term continuous employment within a system of industrial paternalism was one that was reconstructed by management, it was a seductive enough idea for the rank and file employees who came to work within it for them to accept and subscribe to it as if it were a genuinely traditional ideology. No doubt there were some who adopted an instrumentally derived outward appearance of devoted loyalty and obedience in order to get on in life. However, Hazama puts forward the powerful and simple, yet ultimately unprovable proposition that, if this were the

case for the majority of employees then Japan simply would never have achieved such a sustained and rapid rate of economic growth throughout such a large portion of the twentieth century.

The ideology of corporate familism, while starting out as a calculated managerial imposition was also a product of cultural modeling and became in the course of the developments of the twentieth century a genuinely affective relationship between management, employee, corporation, and even nation such that it ceased to be meaningful or important to the various groups of stakeholders of Japan's large corporations how the 'tradition' had originally come about. To be sure, rational economic imperatives and needs remained important to both management and employees, but to all intents and purposes the ideological basis of the corporation was received and non-reflexively traditional. As such therefore, it would be difficult to term this a 'modern' organisation.

When we come to survey the ideology of the post-war period, it is important to note that, while it is difficult to locate the underlying values of the post-war system as being directly derived from even the pre-war managerial familism that Hazama describes, it is also difficult to dispute that the system had come to possess an identity which Japanese people themselves believe is distinctly, essentially, and traditionally Japanese. This identity is most easily described as a belief that a corporate community based within and around a non-reflexive social system of hierarchical semi-ascription and affective communitarian and paternalistic relations of trust and dependency is at one and the same time both modern and traditional. It possesses a modern identity in the sense that it is a capitalist organisation for the long-term pecuniary advantage of all stakeholders, and it is traditional in the sense that, whatever the real origins of these corporate values, both management and employees have come to believe, for the most part, that the organisation is embedded in an essential Japaneseness that is located in Japanese people's affective and idealised images of pre-modern social relations. Thus, through the process of cultural modelling, in order to satisfy modern instrumental and economic needs, the system plays a role as an intermediate or transitional social institution that provides the psychological and emotional need to cope with and succeed in the drastic and wrenching transformations to the pre-modern world-view that economic modernisation inevitably engenders.

# Chapter 4

## Fabricating Modernity

The story of Ivan Ilyich's life was of the simplest, most ordinary and therefore most terrible. ... As a student he was already just what he was to remain for the rest of his life: a capable, cheerful, good-natured and sociable fellow, though strict in the performance of what he considered to be his duty; and he considered as his duty whatever was so considered by those in authority over him.

**Leo Tolstoy**, *The Death of Ivan Ilyich*

To what extent and in what ways is the structure of the lifetime employment system changing? What is the ideology underlying such change? And what do such developments signify in terms of the nature of Japan's modernity?

In her book *Work, Self and Society After Industrialism* (1995), Catherine Casey presents us with a critical analysis of workplace developments at a US multinational company and how these affect employees' work and self-consciousness. She describes how management manipulates employees to conform to a deliberately but defensively constructed "designer culture" within the corporation. That is to say, in Casey's schema, in addition to extracting the surplus labour from workers' extrinsic and instrumental energies, capital seeks to penetrate into the inner consciousness of the employee such that his or her intrinsic energies and motivations are directed and steered into providing ever greater productivity gains and, thus, profits for management and shareholders. However, Casey opines that this is at the expense of employees developing an individual self-consciousness that is authentic to their own personalities and capabilities as well as their own needs, desires, and values.

Further, Casey tries to persuade us that we are living through a transitional phase in the history of society, hence the term *post-industrial*<sup>xliii</sup>, between the materiality and solidity of industrialism and an as yet unnamed era dominated by symbolism, discourse, and flux. Moreover, she theorises that, as the self is multiple, fluid, and historically and culturally contingent, employees are easily steered into colluding with and capitulating to the very forces of their own pernicious exploitation. Her description is of a profoundly disturbing corporate dystopia in which culture becomes a simulated yet resolutely defensive response to the requisite demands of a decentred or diffuse, and thus unchallengeable and irresistible, globalisation. It produces, because it mitigates against the achievement of authenticity, a chronically anxious and narcissistic consumer self that is unable even to locate the source of his or her anxiety let alone confront and overcome it.

How are Japanese companies coping with and responding to the exigencies of



intensifying global competition? Are they too engaged in a deliberate policy of subverting, designing, and exploiting the needs, desires, and values of their employees in a defensive struggle to maintain and enhance their competitiveness?

## **The Contemporary Structure of Lifetime Employment**

Arguments that the Japanese lifetime employment system is on the point of a fundamental structural transformation are not new and yet its enduring survivability has confounded such prophets now for more than a quarter of a century. Writing thirty years ago, Ujigawa and Uemura (1970) proposed that Japan was on the verge of such a development in their book *Sarariiman Kakumei* (Salaryman Revolution). Interestingly, their assertions parallel many of the arguments of today's observers and commentators. Predicting the effects of corporate rationalisation on the salaryman, they argued that creativity would become increasingly important and they advised salarymen to become more autonomous and reduce their commitment to the company because, they believed, the lifetime employment principle would in future be offered only to a small coterie of elite specialist employees.

A substantial proportion of these works have predicted that the Japanese management and employment systems would gradually converge on Anglo-American forms of capitalist organisation as the exigencies of economic modernisation and globalisation become more important and those of tradition and culture fade<sup>xliv</sup>. Nevertheless, it has also been frequently asserted that cultural differences present an insurmountable barrier to, or at least places limits upon, the convergence of economic systems because, so the argument goes, society and culture are historically and geographically contingent and economies are rooted in society, culture, and custom<sup>xlv</sup>. But, what if a new set of economic, social, and political dynamics appears which presages, or even simply appears to presage, the convergence of culture? For, if one first accepts the Weberian proposition that institutional structures are rooted in ideology and, second, that the globalisation of Western modernity as a state of mind is becoming an existent fact in Japan, as elsewhere, then surely institutional and structural convergence cannot be far behind?

Notwithstanding, and to reiterate from chapter two, Ronald Dore (1973) suggested that the Japanese organisational system would remain strong and that Western companies, initially held back by the inertial drag effects of early industrialisation, would converge on the Japanese model of social organisation. More than a decade later, Dore stressed that since the 1970s the lifetime employment system had actually strengthened and deepened as, first, Japanese management had been able to devise and refine more effective and flexible measures for dealing with external shock while protecting the internal integrity of the system and, second, the principle of lifetime employment had penetrated into and been accepted and implemented by an increasing proportion of small and medium sized enterprises (Dore, 1986).

Research on the Japanese lifetime employment system and its associated and dependent attributes, thus, has for some time now presented the observer with a confusing picture and virtually all possible shades of opinion are represented in the academic and popular literature on

the subject. These range from those who believe the system actually continues to strengthen (Okazaki, 1996), through those who assert that present developments represent adjustments within the pre-existing systemic and ideological paradigm (Benson, 1998, Sato, 1997, and Whittaker, 1990), to those who argue that the system may be on the point of drastic change (Lincoln and Nakata, 1997), is in the midst of change (Beck and Beck, 1994), or those who assert that the system has changed so dramatically that it no longer even exists (Takahashi, 1997). In addition to disagreement on the actual structure and extent of lifetime employment, there has also been a similar amount of intense scrutiny of its dependent attributes: phased recruitment at or shortly after graduation of entire cohorts, the structure of long-term career development (training, personnel movement, and promotion), the reward structure (wages, welfare benefits, and pensions), and the structure of retirement.

If we seek to understand the nature of the development of lifetime employment as a normative condition it is most appropriate to do so from both a quantitative and qualitative perspective since such an approach will bring out not only the structure of the system as a dynamic social mechanism but will, in addition, inform us about some of the crucial, subtle, and nuanced understandings, interpretations, and meanings that people bring to and get out of their interactions with their employing institutions and organisations. In this way we will be able to understand the state of the contemporary lifetime employment system as both an institutional mechanism and an ideological condition. Thus, this section presents quantitative data that investigate the current state of lifetime employment and its dependent attributes and the next section presents empirical data for the purpose of examining the contemporary qualitative texture of the ideology of lifetime employment from the perspective of management.

### ***Lifetime Employment***

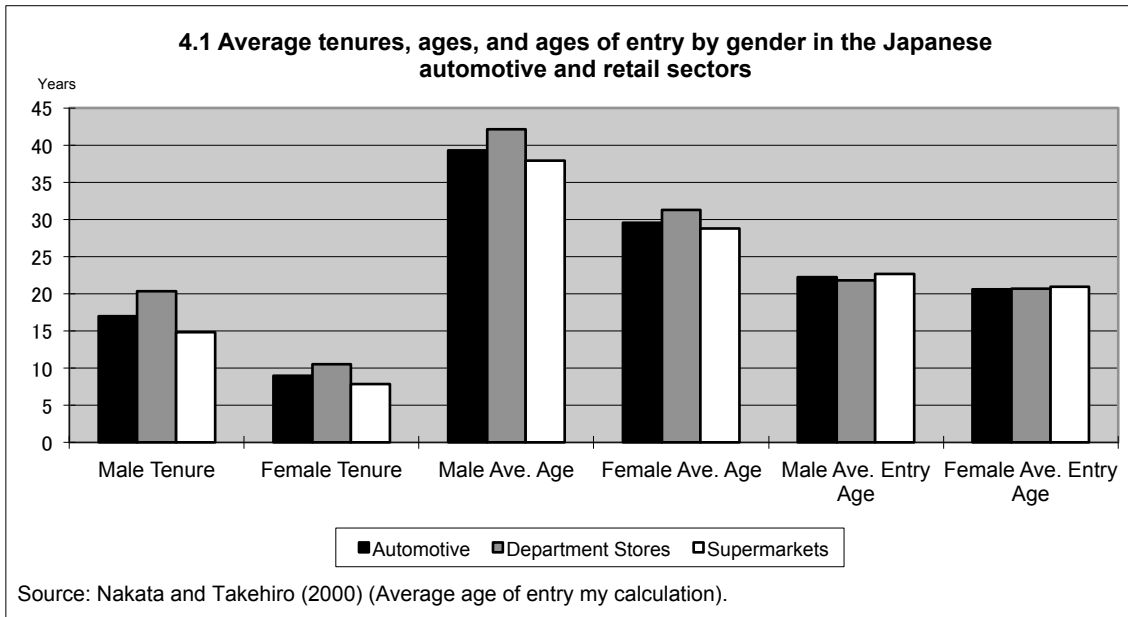
Taking first the core issue of the normative legitimacy of very long-term employment security and stability, some very recent research using large scale longitudinal company panel data makes the theoretically important assertion that, looked at from an economic and quantitative standpoint, companies are now making adjustments without reference to a “non-economic commitment to employment stability for their regular full-time employees” (Nakata and Takehiro, 2000: 11). Based on the assumption that any employment adjustment of more than 5 percent in a single year would be “very unlikely” and a 10 percent or more adjustment “unimaginable” under a system that stresses employment stability, Nakata and Takehiro found that adjustments of more than 5 percent were “not uncommon” and that adjustments of more than 10 percent had occurred in the period. They concluded that leading Japanese firms “are not any exceptions for a conventional economic reasoning for their employment adjustment” and that they, “adjust their regular employment level as well as their total labor input in accordance with their fluctuating economic activities and relative price of labour” (Nakata and Takehiro, 2000: 12).

Looking more closely, however, out of 12 companies surveyed in the automobile

sector<sup>xlvi</sup> three accounted for 80 percent of the number of occasions when *reduction* measures resulted in a greater than 5 percent fall in the workforce. By contrast, of the other companies in the sample, four had no occasion in the twenty-five year period to reduce their employment levels by more than five percent, four had done so only once, and one had done so twice. Further, the article does not provide details of what age the employees were who lost their jobs and where these employees went after leaving the organisation. These are important issues to raise since many scholars recognise that early retirement and transfer to an affiliated company should not be regarded as equivalent to an involuntary layoff into the external labour market. For, in the former circumstances basic financial security and employment are still assured and, thus, quite characteristic of the Japanese system, the boundaries of the firm should be seen, in this context, as encompassing those of affiliated organisations (Sato, 1997a and 1997b, and Nihon Roudou Kenkyuu Kai, 2000).

Investigating further, and looking at Nakata and Takehiro's data from department stores<sup>xlvii</sup> and supermarkets<sup>xlviii</sup>, higher levels of employment adjustment than in the automotive sector can indeed be observed. As with automotive companies, these predominantly came at an exceptional time during the mid-1990s when dramatic falls in domestic consumption and the effects of the collapse of the real-estate and stock investment bubble of the late-1980s were beginning to bite more deeply, thus requiring exceptional measures, particularly in the retail sector which, because of its exposure to private consumption levels in combination with urban real-estate price fluctuations, has proved to be one of the most vulnerable to the structural difficulties exposed by the collapse of the bubble economy<sup>xlix</sup>.

When we look at length of service and average ages for the industries covered by Nakata and Takehiro's study (figure 4.1) and deduce the average age of entry a number of patterns emerge. The graph indicates that employment stability and security for men in all three sectors appears to be strong. In addition, entry is concentrated uniformly and in the standard manner very early in employee's careers being at or shortly after graduation from senior high school or university<sup>l</sup>. Further, in all three industries the average age for women is approximately ten years less than that for men, indicating that female employment may be being used by management as a non-economic protective buffer for male employment stability.

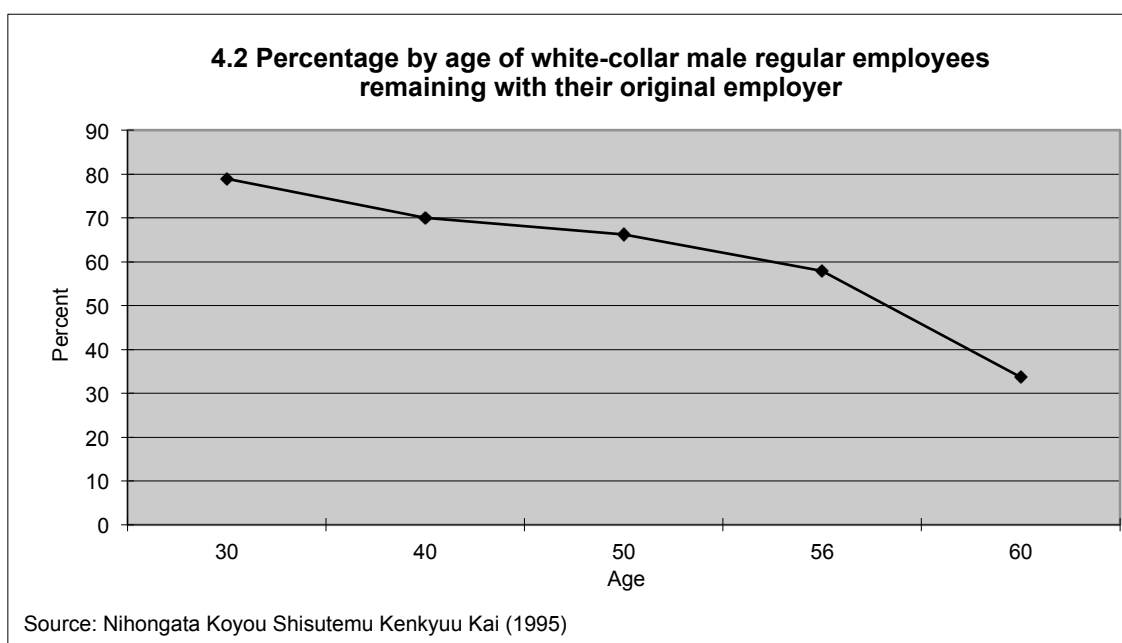


From the data that Nakata and Takehiro present it is certainly true that Japanese management in the three industries covered are very mindful of economic exigency but it also appears that long-term employment security and stability for male regular employees is more than purely a market based rational arrangement in a conventional economic sense. In this way we must not fail to remind ourselves that the normative ideology of long-term employment does not preclude the firm from possessing an instrumental economic rationality. Neither should we always assume that any organisation as a whole is in some way prevented from continuing to exist by reason of its being at one and the same time economically, politically, and socially effective, as well as historically and culturally contingent and compatible, rather than restricting itself to being simply and purely economically efficient (North, 1990).

Three of the most comprehensive recent surveys of the Japanese management and employment systems are that of the Nihongata Koyou Shisutemu Kenkyuu Kai (1995), Chougin Souken Consarutingu (1998), and the Nihon Roudou Kenkyuu Kiko (2000)<sup>li</sup> and it is worth looking at these in some detail if we wish to understand the quantitative aspects of the lifetime employment in large Japanese corporations. Spanning the second half of the long period of economic stagnation of the 1990s and dealing with multiple aspects of the Japanese corporate system, these research efforts together present an accurate and detailed picture of the actual state of restructuring in Japanese industry as well as, and perhaps more importantly, the ideology of management and employees toward the issues that face them. Combined, the data is by far the most comprehensive that has been gathered in recent years and concentrates itself mainly on white-collar university graduate males in large corporations, separating them out from the rest of the workforce in a qualitative sense. Lastly, the three projects span the period in which this dissertation was conducted, thus fitting neatly into its objectives empirically and methodologically.

The Nihongata Koyou Shisutemu Kenkyuu Kai used data collected from the

management of 515 large corporations listed on the first section of the Tokyo Stock Exchange and from 4,063 mostly male white-collar employees (78.3 percent university graduates) of the same companies. First, and using the calculation used above, the average age of responding employee was 38.9 years old while the average length of service was 15.2 years, thus yielding for us a presumed average age of entry of 23.7 years. On the issue of employment retention, figure 4.2 below shows average retention levels by age of white-collar male employees recruited on graduation from university over the whole sample. The graph reveals that employee retention is high across all age groups but that it is by no means true that all employees remain until the fixed retirement age<sup>lii</sup>. Nevertheless, judging from this sample, more than half of all male white-collar employees in large corporations recruited on graduation from university remain at their original company until their mid-50s whereupon, presumably to make way for advancing cohorts, a number are either transferred to affiliates or retired<sup>liii</sup>.



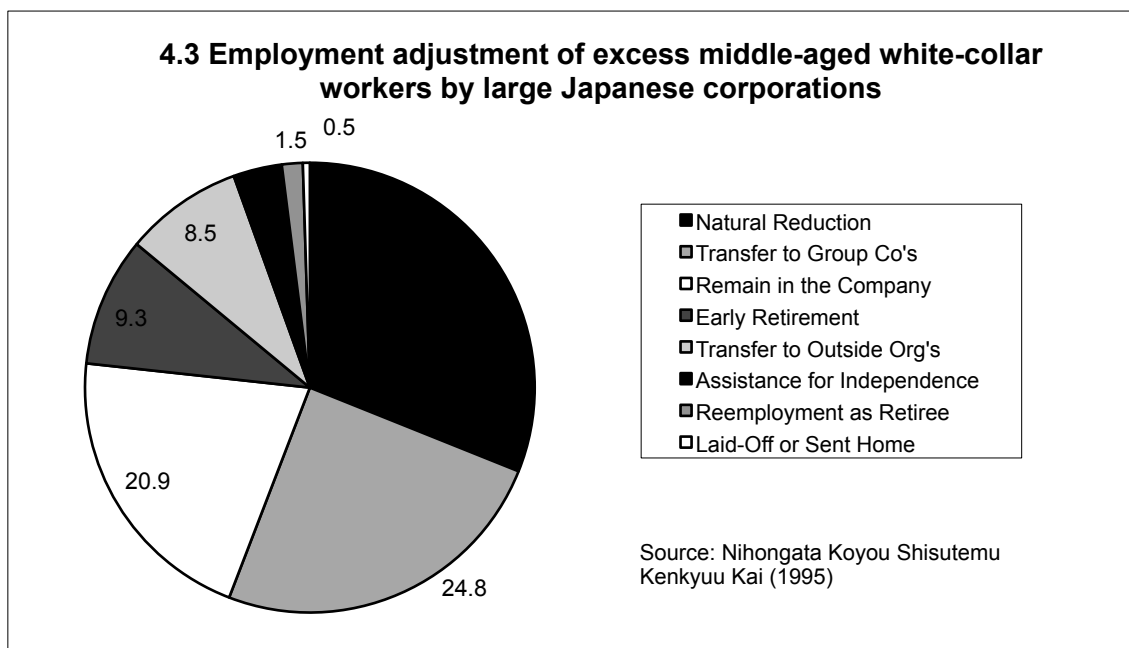
However, in a 1996 OECD study<sup>liv</sup> the average length of service across the whole labour force in Japan differed little from that of France and Germany yet differed substantially from the USA, UK, and Canada. In Japan the average length of service actually increased by one year to 11.3 years in the period 1985-1995, the longest of the six countries. Germany showed 10.8 years and France 10.4 years in 1995 while the USA, UK, and Canada showed 7.4, 8.3 and 7.9 years respectively.

In the Nihongata Koyou Shisutemu Kenkyuu Kai (1995) study, employee retention rates for Japanese male white-collar university graduates were considerably higher than figures for the whole labour force cited in the OECD report. With respect to job changing<sup>lv</sup>, of 4,063 respondents 3,281 (80.6 percent) stated they had never changed employer and of those who had changed their employer, 517 (12.7 percent of the total sample) had done so only once, 154 (3.7

percent) had done so twice, and only 102 (2.5 percent) had done so three or more times. Put another way, between 93 and 94 percent of employees, of an average age of 38.9 years and with an average length of tenure of 15.2 years, were either working at their original employer or had only changed employer once, most probably in the early years of their careers. These figures must lead us, tentatively at least, to the conclusion, first, that the employment system in Japan may indeed be systemically and qualitatively different from the rest of the world's advanced economies and, second, that Japan's labour market continues to display a dualism between very long-term stable and secure employment of male university graduates employed at large corporations and greater insecurity for the rest.

When asked whether they felt their company possessed an excess of white-collar university graduates over the age of 40, 11.1 percent of management respondents said they had many excess employees, 37.1 percent said they had some, 41.6 percent said that there were not many, and only 9.3 percent said that they had absolutely none. It appears that companies, in the opinion of management, are carrying a number of excess white-collar employees and that long-term employment is either being continued for more than reasons of narrow economic self-interest or structural factors are pressuring employers to retain unwanted employees.

The idea that lifetime employment continues to be more than simply an economic relationship can be more readily understood when methods for dealing with excess middle-aged and older white-collar employees are analysed. As can be seen from the following pie-chart (figure 4.3), which shows the various measures companies use to deal with their excess middle-aged employees, even during the most severe recession since the Second World War, large corporations rarely resort to mass lay-offs into the external labour market when pursuing employment restructuring.



It appears from this data that, at least publicly, management accepts the normative responsibility

of preserving lifetime employment as a socially and culturally legitimate institution and takes measures to ensure the future financial and employment security of their regular employees, even if many of them may not end up actually working at their original employer. This is, of course, in addition to recognising legal expediency<sup>lvi</sup> as well as ensuring economic effectiveness and efficiency for the long-term survivability of the corporation.

If, in addition to considering the substantive manifestation of very long-term employment security and stability, we take into account the intentions of management then the future prospects for a continuation of lifetime employment appear secure if slightly attenuated. From the same Nihongata Koyou Shisutemu Kenkyuu Kai study, 56.4 percent of employers said they intend to continue with the principle of lifetime employment (presumably unchanged), and 35.7 percent intend to continue it with some modifications, adding up to more than 90 percent of management wishing to preserve the system in some form or another. However, three years later in the study by Chougin Souken Consarutingu (1998)<sup>lvii</sup>, only 3.3 percent of employers thought, when evaluating the system in their own companies, that they should continue with the lifetime employment system unchanged, 25.0 percent thought that there was not much need for change, and 61.9 percent thought some gradual changes were needed, while 9.9 percent thought they needed to drastically change their system. In the latest Nihon Roudou Kenkyuu Kiko (2000) study of 690 companies<sup>lviii</sup>, 33.8 percent intend to maintain the principle of lifetime employment, 44.3 percent intend to continue it with some changes, 17.1 percent believe some fundamental changes are necessary, and only a tiny 3.8 percent say that they do not have lifetime employment at their company. Implying that lifetime employment remains strong but is weakening, the study concluded by stating that, “With regard to the custom of lifetime employment, it is difficult to think that there will be a drastic collapse in the near future” (Nihon Roudou Kenkyuu Kiko, 2000: 33).

Consequently, lifetime employment continues to be not only an existent fact at a significant proportion of large corporations in Japan but that a large majority of companies appear, at least publicly, to intend to continue with it unchanged or at least with some modifications. Company management seems to take the normative and customary legitimacy of the system seriously, since the number of lay-offs of full-time regular male employees into the external labour market is also remarkably low when one considers the depth, breadth, and length of the current period of economic instability in Japan. Further, when compared with how British and American corporations dealt with an equivalent period of structural stagnation from the early-1970s to the early-1990s, Japan’s present unemployment situation and its accompanying social difficulties are, so far, mild by comparison<sup>lix</sup>. However, the figures also indicate that the practical application of the lifetime employment principle is becoming more difficult for management to fulfill and that it appears to be gradually weakening and coming to cover a smaller proportion of employees. It remains to be seen, if and when economic growth returns to Japan, if this attenuation shows itself to be a temporary or permanent feature of the contemporary Japanese employment landscape.

### ***The Dependent Attributes of the Lifetime Employment System***

As opposed to the principle of lifetime employment where any changes appear to be of a quantitative character, it is in the area of the system's dependent attributes where substantive qualitative change seems to be occurring. An examination of the nature of this may therefore yield up to us some clues as to whether large Japanese corporations are initiating a fundamental reform of the employment system and what such developments might signify in terms of the form and texture into which Japan's employment relationships may be evolving. However, it remains extremely difficult to make any firm judgements on the basis of current research as to how profound present developments are and what they signify.

By way of example of the confusion that exists, in an article for the academic journal *Japan Forum*, Yahata (1997a) concluded, after finding that systems where employees could be demoted or receive reduced salaries were being introduced by some companies, that this demonstrated a qualitative change was coming about in corporate human resource practices towards a system where greater emphasis is being placed on quantifiable performance criteria. However, in the same year the same author, this time in an article for the Japan Institute of Labour (Yahata, 1997b), also asserted that, although restructuring measures are at times quite drastic, they are little different from those taken at the time of the first oil shock in the mid-1970s.

If we examine the system from the perspective of seeing very long-term employment as a frame within which various dependent processes, systems, and attributes operate, the beginnings of a qualitative change to some of these can be observed. However, of course, since the frame remains largely in place these changes do not amount to a fundamental transformation of the system itself but an attenuation and a modification or, more accurately, a diversification and differentiation of employment structures and practices. While it is certainly the case that in this prolonged structural stagnation Japanese companies have continued to rely on the standard phased application of mechanisms for mitigating the effects of external economic difficulty, substantive and qualitative changes have taken place, particularly in the areas of personnel management and development.

First of all, and addressing the issue of the phased recruitment of entire cohorts of employees at or shortly after graduation, we have already seen above that the age of entry for males into many large Japanese companies continues to be in most employees' early twenties, confirming the assumption that companies continue to prefer to hire and retain regular employees fresh from university. Although figures from the Ministry of Labour show that 4.9 percent of companies questioned plan to introduce year round hiring and 28 percent are studying its implementation (Roudousho, 1998), the same figures also say that at most 95.1 percent of companies have not yet introduced it and 72 percent are not studying its implementation!

Notwithstanding, it can also be seen from a number of other studies that hiring practices



are undergoing some adjustments towards a more differentiated and more flexible system that makes greater use of external labour markets and specialist generic skills. For example, companies are increasingly looking to hire mid-career recruits with specialised skills whose productive abilities can be activated as soon as they enter the organisation. It remains to be seen how these developments will proceed, but it does appear to represent the initial stages of a qualitative shift towards a managerial position more closely approaching an open-ended instrumentally rational economic motivation, rather than the closed organisation oriented trans-rationalism characteristic of previous generations of Japanese management.

In a recent study of large corporations' recruitment strategies by the Ministry of Labour (Roudousho, 2000), it was found that fully 47.3 percent of responding companies are introducing formal procedures for the mid-career recruitment of white-collar regular employees (62.5 percent of services companies, 53.7 percent of manufacturers), 45.3 percent of companies had introduced the employment of despatch workers, and 29.7 percent of companies are continuing to diversify the hiring of new employees on fixed-term contracts. From these figures it would seem that diversification and relaxation of employment systems is proceeding in quite a substantive manner. Nevertheless, even if recruitment strategies are undergoing modifications, we must also examine other areas of the employment system before we make some preliminary conclusions as to their nature and significance.

Moving to the issue of long-term human resource development of white-collar employees. Using Dore's (1973) schematic institutional dichotomy of a UK market and Japanese organisation orientation as the basis of its analysis, Storey, Edwards, and Sisson (1997), in a major comparative survey of UK and Japanese management development systems, found that Japan's career development systems were more uniform across industrial sectors and between companies than the UK, and were more robust, systematic, and more long-term in their orientation. The authors stressed that the major qualitative difference between managers in the two countries was that Japanese managers did not constantly reaffirm the primacy of the market but had a more stable belief in the enduring long-term value of "growing managers to meet the changing character of market conditions" (Storey, Edwards, and Sisson, 1997: 207).

Surprisingly, and contrary to expectations, they also found that British white-collar elite employees had a wider range of functional experience than their Japanese colleagues. This issue points to a widely held assumption that is increasingly coming to be challenged by empirical evidence as it accumulates. That is, Japanese white-collar employees are often believed to be, and believe themselves to be, generalists working towards achieving a management position through a career structure characterised by a somewhat passive and received acceptance of the accumulation of broad functional experience within a single organisation through regular movement and rotation among departments with different functional responsibilities. In contrast, the ideology of career development in the UK and USA is strongly coloured by the assumption that white-collar business elites retain control over and ownership of their careers by actively and self-consciously building an upwardly rising spiral of increasing accumulation of

skill, status, and salary through moving from one company to another within a specific functional specialisation. This dichotomy appears no longer to be so sharp. Such were the conclusions, also, of a detailed comparative study conducted by the Japan Institute of Labour (1998). In this study, although important differences between Japanese and other countries' human resource development practices were observed, such as greater continuity of employment in a single organisation and fewer changes of employer in Japan, the main conclusions of the study can be summed up by stating that differences in career development practices for and ideologies among white-collar university graduate males in Western countries and Japan are not as clear as previously assumed.

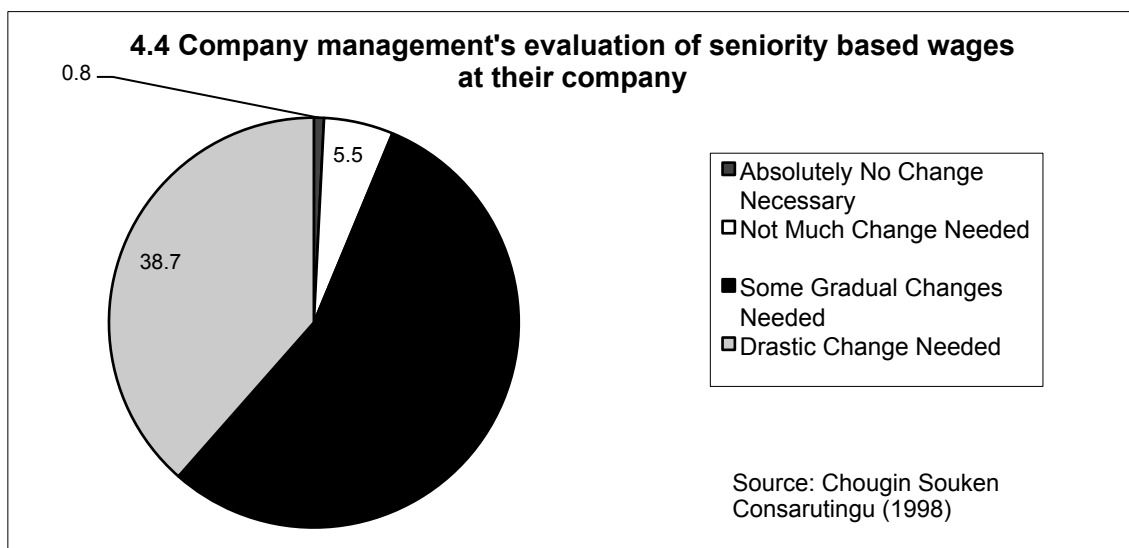
In respect of the related and inter-dependent issues of internal rotation and promotion, Imada and Hirata (1995), in their examination of the structure of promotion for male university graduates at a heavy industrial manufacturer, found a typical three tier pyramidal structure. Employees' careers commenced with a seniority and rotation based system of socialisation in the early years of life at the company where more than 90 percent of employees experience and learn the company's core business before being promoted to positions where more content rich specialised roles are encountered. This then proceeded to a speed-race system in employees' middle years when catching up with lost years was assumed to be possible and where skills are deepened and administrative and managerial skills begin to be acquired. Moreover, they found that if promotion to *Kachou* by year 15 (about 40 percent of employees) had not yet been achieved then there would be no further chances to catch up. This then advanced to a tournament-style system in the company's upper echelons.

Within this type of system, which has been fairly standard across Japan's large firms for some time now, it is becoming widely understood that companies are intent on long-term development of employee-managers possessing both generalist managerial as well as specialist functional skills and knowledge. Indeed, intuitively it would appear odd if Japanese companies did not try to do this, given the high levels of informal tacit as well as formal specialist knowledge required in managerial positions today. Nakamura Megumi (1992), in a survey of 187 firms of more than 100 employees found that many employees experienced specialist careers. Later, she found (1995), in data from 334 respondents in a variety of large corporations, that companies try to develop employees into specialists after a few years of learning the basic principles of the company's activities in generalist customer oriented departments such as the *eigyoubu* (business development and sales divisions). Koike (1991) also found in his study of 60 large and medium-sized companies that later moves within the organisation constitute remaining within a specialisation because although employees move from one department to another, more often than not they work within a single functional capacity. However, by doing so they also gain a broad range of experience.

If we now examine these processes from the conceptually important perspective of seniority-based pay and promotion, a further diversification, relaxation, and rationalisation of structures and systems also seems to be appearing. Assembled together, the systems point to the

introduction and strengthening of systems for promotion and payment according to ability and results and a continuation of the ongoing weakening of seniority and age based systems. Yatabe (2000) in his qualitative research of 31 companies of various sizes for the practitioners' journal *Chingin Jitsumu* found that 23 companies (74.2 percent) had already discontinued age related pay for management and 14 companies (45.2 percent) had done so for employees while all companies intended to discontinue it for management and 18 companies (58.1 percent) for employees. When asked why companies had originally introduced age based pay 16 said its purpose was to ensure a minimum salary and 13 companies said they had wanted to protect the living standards of employees. Asked why they were discontinuing it 24 companies (77.4 percent) said it was to strengthen results based payment systems and 22 companies in order to abolish seniority based systems.

Once again assessing future intentions, and looking at the larger study done by Chougin Souken Consarutingu (1998), one can see from figure 4.4 that virtually all of the corporations that responded believe either gradual changes (55.5 percent) or drastic change (38.7 percent) is needed to their seniority-based wages system.



While only five out of 637 responding companies replied that no changes to seniority wages are required in either their own company or in general.

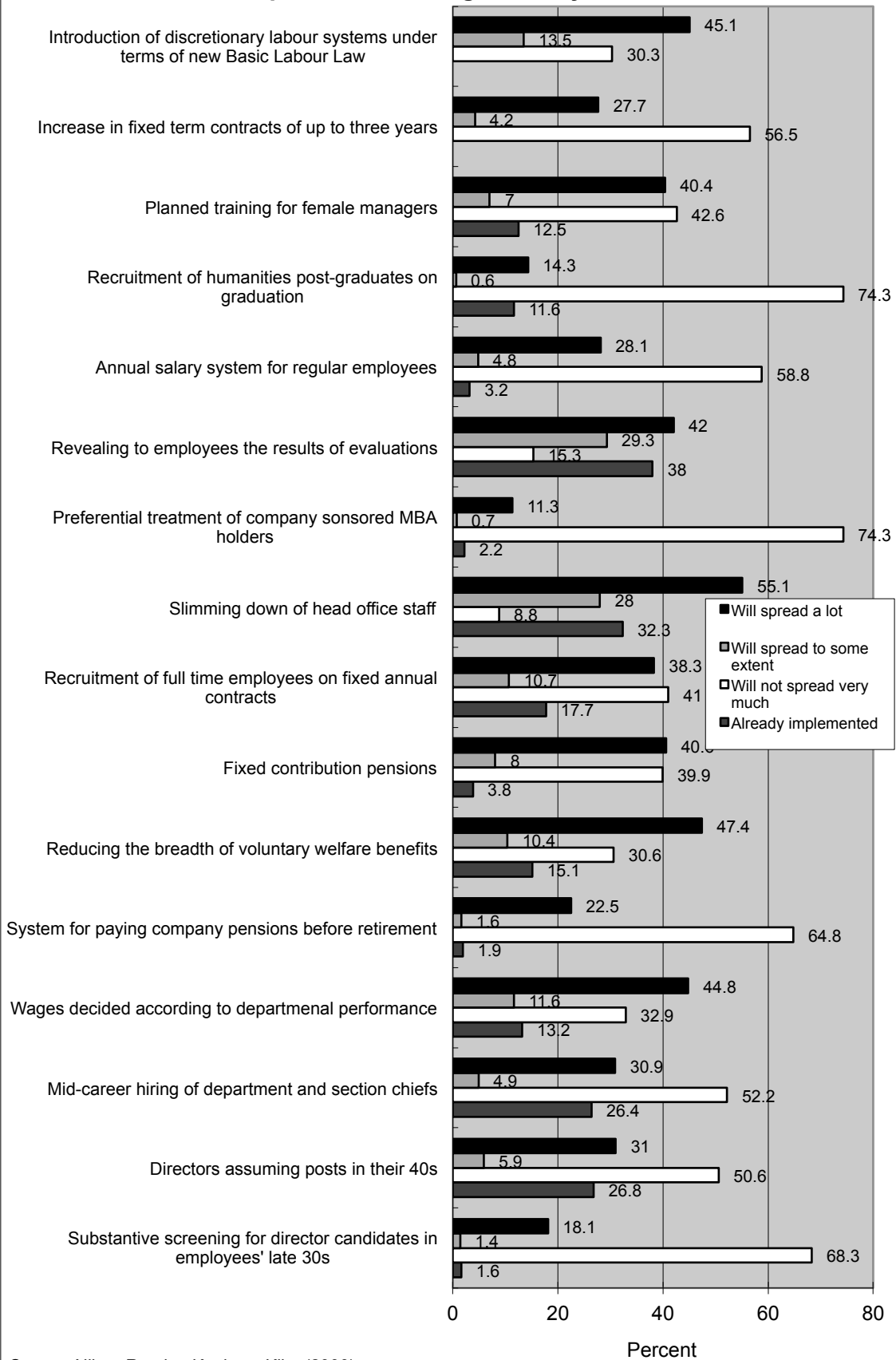
With regard to promotion, again companies are turning to more diversified systems and basing them increasingly on abilities and results. In their annual survey on employment management (Roumu Gyousei Kenkyuujo, 1999), the Ministry of Labour's Policy Planning and Research Department found that on average 85.2 percent of companies based their decisions on promotion to *Kakarichou* (Deputy Manager) on ability and 80.1 percent on results while 47.9 percent used seniority as a guide. For promotion to *Kachou* (Manager) the figures were slightly higher for ability and results and slightly lower for seniority indicating that seniority is progressively less important the higher the employee is promoted. The same research found that 51.5 percent of companies with over 5,000 employees and 39.2 percent of companies of

between 1,000 and 4,900 employees had introduced dedicated career tracks for specialists.

These pay and promotion systems are being bolstered by the continuing introduction and development of MBO systems. This signifies a progressive rationalisation of the often subjective and opaque process of decision-making with regard to evaluation for employee rotation, promotion, rewards and assessment of abilities, achievements, and results. The ostensible consequences of the introduction and deepening of these systems are that employees are able to negotiate directly, more frequently, and in more formal circumstances with line and personnel managers over career development and near-term production and other targets in order to improve motivation and focus energies. In addition, through the formalisation of feedback channels and procedures, employees are able to learn from management and personnel officers the results of evaluations and assessments of their performance. In recent research for *Chingin Jitsumu*, 46.4 percent of companies stated they did so to improve motivation, 44.6 percent in order to clarify evaluations, 42.9 percent in order to unify organisational and individual objectives, and 35.7 percent in order to activate the organisation (Nakajima, 2000). Some companies, though still few in number and limited in scope, have also introduced what is sometimes called a *Shanai Koubosei*, or an open internal system of advertising vacant positions in order to facilitate the task of rotating employees and to give employees a greater sense of self-determination in the advancement of their career path (Iki, Hiroishi, and Mukai, 2000).

Continuing with the issue of the diversification of personnel management systems and once again taking data (figure 4.5 overleaf) from the *Nihon Roudou Kenkyuu Kiko* (2000) report, a pattern of tentative change and experimentation can be observed. Companies were asked whether they had introduced any of the measures described and whether they believed these measures would become widespread among Japanese companies. The message that the data conveys is that companies are aiming at modifying their organisational structures and employee management systems where these will have a presumed direct impact on corporate performance. The underlying motivation of management, thus, appears to be to boost productivity and make management more effective through the introduction of some modifications to the system of personnel administration while maintaining its basic structure.

### 4.5 Actual implementation of and prospects for new personnel management systems



Source: Nihon Roudou Kenkyuu Kiko (2000)

Finally, with regard to welfare benefits and pensions, companies are not only looking to reduce slightly the amount and comprehensiveness of benefits on offer but they are attempting to tie these more closely to the needs of employees by constructing more flexible systems that involve employees choosing from a number of options. This system has been referred to as a *Cafeteria Plan* (Cafeteria Plan) (Kirinoki, 2000) and they include the introduction of portable pension plans for those who intend to change employer at some time in their career, flexible health and life insurance programs, dedicated and individualised programs of assistance for employees' families and children and so on. Further, these programmes are often pursued and organised in conjunction with company unions. For similar reasons some companies, Matsushita Electric being the most famous example, give employees the option of receiving their pensions while they work at the company instead of when they retire in their fifties or later. In the Matsushita case, employees choose on entry whether to join the new system or to receive their pension on retirement and they are allowed to change once during the course of their employment<sup>lx</sup>. These systems have been developed in recognition of, and perhaps to encourage, some employees' desires for a more flexible career structure.

To sum up, therefore, and attempting first to schematise career development of white-collar employees in Japan and the UK. Borrowing Storey, Edwards, and Sisson's (1997) concept of career chimneys, Japanese white-collar employees appear to progress in a planned and systematic yet still somewhat ascribed, ordered, and received manner up through a comparatively specialised function within a single corporation. In contrast, British white-collar employees and managers, as well as perhaps Americans too, progress up through, ideally, a more self-determined, comparatively haphazard, yet still quite specialised multi-company career chimney.

Furthermore, corporate management appears to be operating a policy of maintaining the basic structure of the established employment system while simultaneously reducing its scope and attempting to make it more economically rational and responsive. The substantive expression of this approach is a gradually falling proportion of employees being covered by the implicit guarantee of lifetime employment and a diversification of employment styles. In the next section we will look at these issues in more detail as we examine the employment systems of four different companies from a qualitative and ideological perspective.

## **Qualitative Investigations**

Even with the enormous quantity of data that is available, of which the above is only a small fraction, it is still difficult to disentangle modern, rationalised, and individualised systems of employment and personnel management based on ability and results from more rigidly ascribed trans-modern modes of organisation based on seniority and presumed life stage within a functional fictive-kin group. This is particularly so within the framework of very long-term employment at a single organisation that uses on-the-job training (OJT) as its principle mode of skill acquisition, where ability is judged according to the skills and experiences acquired, and

where individual performance is difficult to assess accurately, as is the case with team-based white-collar work. In addition, much quantitative research confuses, or at the very least clouds, the issues of whether systems have actually been implemented, whether employers are planning to introduce them, or whether they are simply studying the matter from the position of detached and disinterested observers.

One could drown in the veritable deluge of statistics that are available in Japan regarding employment issues which are produced with such frequent regularity by all kinds of governmental, non-governmental, and commercial organisations. Many sets are simply inaccurate in a qualitative sense, such as the official unemployment data<sup>lxi</sup>. It is also difficult to judge precisely from such data not only the substantive reality of employment conditions and systems within Japanese corporations but also their qualitative texture. It would be rash, therefore, to accept at face value many of the figures presented above and conclude, without pursuing independent qualitative research, that, within the existing normative frame of very long-term employment at a single organisation, Japan's lifetime employment system is substantively though gradually evolving towards a more rational, economic and, market based system that places greater emphasis on individual ability and results. Further, it would be even more rash to conclude that the above figures indicate a move in the direction of a systemic convergence with the Anglo-American corporate system.

Lincoln and Nakata (1997) claim that Japanese companies are going to great lengths to cope with the prolonged recession and the globalisation of economic competition by introducing substantive changes to the mechanics of the employment system. But they also concede that the changes that have thus far been introduced to great fanfare as substantive and significant are, on closer inspection, perhaps more accurately described as signals to the workforce of the need for future change in the corporate structure and for diminished expectations on the part of employees in a more competitive environment. They imply that companies' reluctance to broaden and deepen their restructuring efforts is a result, in part, of the normative legitimacy of the lifetime employment system as a national institution. Changes to it are therefore interpreted as a challenge to established post-war social and political norms as well as prevailing economic rationality. Is a qualitative transformation of the lifetime employment system taking place? What is its extent and significance?

### ***Fundamental Transformation, Qualitative Change, or Piecemeal Reform?***

The following six pages of tables present data from the four companies researched for this thesis. They show, first, an overview of each company's circumstances (figure 4.6) and, second, summaries of their employment systems (figures 4.7, 4.8, 4.9, and 4.10). While genuinely comparative data was difficult to collect, for example due to sometimes vague and imprecise answers to interview questions or polite refusals to reveal what managers considered to be sensitive information (such as actual proportions of results based salaries) it is possible to make valid comparisons on the basis of the data and to make some judgements as to its significance.

The final table (figure 4.11) is a translation of a chart constructed by a Personnel Manager from Company A and, although the data is not strictly representative of all four companies presented herein, it is an interesting document because it summarises the external environment surrounding the company and the company's employment response to it. It is also interesting because it mirrors much of the data acquired from elsewhere and thus can be used as both a summary of the tables that precede it and as documentary evidence in its own right.



## Overview of Companies

**Figure 4.6**

	<b>Company A</b>	<b>Company B</b>	<b>Company C</b>	<b>Company D</b>
	<p><b>Company A</b></p> <p>Est. 1917</p> <p>6,739 Employees as of May 2000</p> <p>Manufacture of optical prod's and</p>	<p><b>Company B</b></p> <p>Est. 1917</p> <p>5,401 Emp's as of May 2000</p> <p>Manufacturer of auto. components,</p>	<p><b>Company C</b></p> <p>Est. 1888</p> <p>11,319 Employees as of May 2000</p> <p>Non-bank financial services</p>	<p><b>Company D</b></p> <p>Est. 1951</p> <p>20,203 Employees as of May 2000</p> <p>Utility supply</p>
<b>Sensitivity to External</b>	Strong variability in sales of optical products due to consumer taste. Sales of precision machinery very volatile.	Strong variability in sales domestically and internationally. Heavily reliant on customers' production schedules.	Stable sales; some domestic cyclical sensitivity. Liberalisation of price competition has had small effect on earnings. Strength of financial base	Extremely stable sales. Almost no cyclical sensitivity. some secular sensitivity. Liberalisation of markets yet to show any effect on earnings.
<b>Economic Environment</b>	Strong cyclical sensitivity.	Strong cyclical sensitivity.		
<b>Business Group</b>	Medium-sized peripheral member of large, powerful, and close business	Independent producer but maintains long-term (though attenuating)	Large core member of large, powerful, but loose business group	Independent producer
<b>Membership</b>				
<b>Regulatory Environment</b>	Little regulation domestically or overseas. Some regulation of optical and electronic products with possible	Little regulation domestically or overseas	Price competition until recently heavily regulated in Japan. Products and prices recently relaxed by Big Bang (April 1996	Heavily regulated. prices set in negotiation with govt. ministry. Govt. pursuing liberalisation fairly
<b>Competitive Position</b>	Intense global competition, especially from other Japanese manufacturers	Intense global competition. Some protection from long-term supply relationships with Japanese automotive	Intense domestic competition with other Japanese providers. V. low sales overseas	Until March 2000 was regional monopoly. Still almost no competition. No. 3 provider in Japan.
	No. 3 Japanese optical products producer (21.1%). No. 1 worldwide producer of semiconductor	No. 2 producer in Japan (16% share)	No. 2 provider in Japan (17% share)	No. 3 provider in Japan.
	Less than 5% of sales overseas			
<b>Geog. Spread</b>	Strong domestic presence. Global manufacturer with Production and R&D facilities in Asia, Europe and N. America. Representative Offices	Strong domestic presence. Manufacturing in Japan, USA and Thailand. Representative offices worldwide.	Strong domestic presence representative and sales offices worldwide (84 regular employees stationed overseas - 0.007%)	Regional presence. Representative offices in Tokyo, Washington DC and London

Sources: Company Docs. & Interviews, Newspaper Reports, *Nikkei Net Interactive*

## Company A Data

Figure 4.7

<p><b>Corporate System</b></p>	<p>In late stages of major restructuring began in early 1990s. Results improving and new operations bearing fruit. Net Sales: +21.6% (Mar. 2000). +37% predicted to Mar. 2001</p> <ol style="list-style-type: none"> <li>1. Division of company into 3 separate self-financing functional groups from Oct. 1999.</li> <li>2. Loss-making subsidiaries being spun-off as independent units.</li> <li>3. Planned establishment of holding company.</li> <li>4. Prod. diversification very advanced. New prods now core business (50% of sales).</li> <li>5. Cooperative product development with foreign firms increasing.</li> <li>6. Partial implementation of flexible “Group System” to replace Sections (<i>Ka</i>).</li> </ol>
<p><b>Lifetime Employment</b></p>	<p>Lifetime employment principle still firm but slightly weakened. Total regular employee numbers stable at around 6 - 7,000 during 1990s and into 2000. However, this masks extensive use of transfers of older employees from loss-making operations to subsidiaries and subcontractors (30% of optical products staff transferred this way in the period 1997-1999) and employment of new staff (many mid-career) to bolster rapidly growing business activities.</p>
<p><b>Recruitment</b></p>	<ol style="list-style-type: none"> <li>1. Year-round recruitment of mid-career technical specialists formalised and publicised. 20% of 1998 entrants were mid-career, most of whom are specialists. In principle should be uni. grads up to age 33 with international and/or manufacturing work experience.</li> <li>2. Reduction in recruitment of new grads, though recruitment still phased.</li> <li>3. Expansion in recruitment of post-graduates with science degrees.</li> <li>4. Expansion of recruitment of foreign (Asian specialists) employees to work in Japan.</li> <li>5. Planned recruitment for 2001: 10 high and vocational school grads (2000: 10), 10 uni. grads for office work (2000: 10), 40 uni. grads and above for technical work (2000: 34).</li> </ol>
<p><b>Personnel Management and Development</b></p>	<ol style="list-style-type: none"> <li>1. Personnel placement decided according to results of semi-annual Objectives Interview System with line manager and reviewed by personnel department.</li> <li>2. Long-term On-the-Job training (with Off-JT elements) dominant mode of personnel development and acquisition of skills though,</li> <li>3. Specialist career track widespread, especially for science post-graduates and technicians recruited mid-career.</li> <li>4. In addition to semi-annual evaluation is annual “self-declaration system” (<i>jiko shinkoku seido</i>) where employees can voice their own career objectives in writing.</li> </ol>
<p><b>Promotion</b></p>	<ol style="list-style-type: none"> <li>1. 14 Ranks (J1-J5 - Employees, S1-S5 - Middle Mangmt, &amp; M1-M4- Senior Mangmt.) in ability and qualifications based system with merit and results incorporated. Progress to senior management is from S4 to M1. S5 cannot progress to M1.</li> <li>2. Promotion decided according to line manager’s and personnel department’s evaluation of qualifications (skills and abilities) obtained, merit, and results achieved. M1-M4 and above is 100% results based tournament system.</li> <li>3. Minimum time periods for each rank stipulated (from M2 is not stipulated).</li> </ol>

	<p>4. From J3 (6th year) onwards is combined with semi-annual Objectives Interview System</p> <p>5. Minimum time period to reach <i>Kachou</i> (S5 or M1): For M1 is 17 years and for S5 is 19 years. No minimum time limit to reach <i>Buchou</i>.</p>
<b>Pay</b>	<p>1. Pay determined according to base (rank) and line manager's and personnel department eval. of results and working behaviour. No length of service based pay.</p> <p>2. Senior managers' (M Ranks) evaluation pay is 70% results and 30% working behaviour. Managers' (S Ranks) pay is 60% and 40% and employees (J3-5 Ranks) is 50% and 50% and (J1-2 Ranks) 40% and 60%.</p> <p>3. Proportion that is dependent on evaluation rises with promotion. Actual proportions not explained in company documentation.</p> <p>4. Starting salaries (monthly): High and Vocational School - Yen178,780, Uni. Grads - Yen202,680, Masters - Yen228,000, PhD - Yen271,120. 1st annual pay rise in 1999 was 1.95%. Total bonus was 4.44x monthly salary. 30 year old uni. grad. in 1999 would have received about Yen333,000 per month including allowances. No discrimination in salary against mid-career recruits.</p>
<b>Welfare</b>	<p>1. Company accommodation for 1000 single employees and 700 families.</p> <p>2. Company gymnasium and tennis courts at main factory complex.</p> <p>3. Three medical clinics (three separate locations) 4. Ten recreational facilities.</p> <p>5. Comprehensive welfare, health, employment, and accident insurance.</p> <p>6. Other financial benefits. 7. Clubs and societies.</p> <p>Co. studying scrap and build approach to create individualised "Cafeteria System".</p>
<b>Retirement</b>	Lump sum payment system based on calculation of years of service and rank.

(Sources: Company Documentation, Company Interviews, Newspaper Reports)

## Company B Data

Figure 4.8

<b>Corporate System</b>	<p>In mid-stages of substantial restructuring of worldwide operations towards creating a global company with multiple business activities. Seeking to change emphasis from competing on volume to competing on value. Positive results are yet to bear fruit. Net sales to March 2000 -2.2%.</p> <ol style="list-style-type: none"> <li>1. Opening up new product lines in heavy industrial and construction equipment, aerospace, and sports goods</li> <li>2. Continuing expansion of overseas operations by opening new plants in Thailand and the Philippines.</li> <li>3. Restructuring of loss-making American subsidiary.</li> <li>4. Introducing electronic business process reengineering to reduce inventory and be more responsive to diversifying customer demand.</li> <li>5. Flexible “Group System” implemented and Sections (<i>Ka</i>) replaced</li> </ol>
<b>Lifetime Employment</b>	<p>Lifetime employment principle weakened.</p> <ol style="list-style-type: none"> <li>1. Drastic personnel reduction to approximately 5,401 (May 2000) from high point of approximately 10,000 (1990 figure) as a result of strong global competition and pressure from automakers to cut costs. Achieved mainly through reduced hiring, natural wastage, transfers, and early retirement.</li> <li>2. Number and size of subsidiaries and subcontractors small so transfers restricted and pressure to use early retirement great. <i>Shukkou</i> used but <i>tenseki</i> is not.</li> </ol>
<b>Recruitment</b>	<ol style="list-style-type: none"> <li>1. Recruitment of new graduates frozen at zero for two years starting 1999.</li> <li>2. Now focusing on recruiting creative and autonomous employees with team-working abilities. Past emphasis was team-workers with potential.</li> </ol>
<b>Personnel Management and Development</b>	<ol style="list-style-type: none"> <li>1. Personnel system changed in 1997 from OJT based qualifications and ability system (<i>shikaku seido</i>) to line manager administered MBO system (<i>jitsuryoku seido</i>) of semi-annual interviews where performance and skill acquisition targets are set and then achievements evaluated.</li> <li>2. Personnel movement determined in Personnel Department administered system that takes place at same time as line manager’s MBO interviews. Employees can verbally transmit their hopes at that time.</li> </ol>
<b>Promotion</b>	<ol style="list-style-type: none"> <li>1. 17 Ranks to <i>Buchou</i> level. Minimum length of time to reach Rank 16 (<i>buchou</i>) is 28 years.</li> <li>2. Reaching <i>Kachou</i> now no longer an expectation of either management or employees.</li> <li>3. Promotion determined by minimum service limits and line manager’s and Personnel Department’s evaluations. Tournament style above Rank 7 (<i>kakarichou</i>).</li> </ol>
<b>Pay</b>	<ol style="list-style-type: none"> <li>1. Employees’ pay (Ranks 1-6) determined by base calculations according to age, length of service, qualifications, family circumstances, and rank. Fixed allowances then added.</li> </ol>

	<p>Semi-annual bonus is according to company, department, and team based performance calculation.</p> <p>2. Managers' pay is determined again by base calculations and bonus is 30% by individual performance for <i>Kachou</i> level, 50% for <i>buchou</i>, and 100% for directors. The remaining is calculated according to company, department, and team performance. Managers' base pay is less than 50% of total annual earnings.</p> <p>3. Base pay range very narrow resulting in steeply rising emphasis on performance as employee's age and rank rises, particularly once management grades are obtained (minimum 8 years to <i>Kakarichou</i> [Rank 7]). Also results in possibility for annual income to drop for managers. (250% difference between starting base pay and Rank 17 [<i>Buchou</i>] at age 50 with 30 years of service.)</p> <p>4. Bonus contains job content-based elements such as non-rank based individual and departmental responsibility differences.</p>
<p><b>Retirement</b></p>	<p>1. Retirement and voluntary severance payment available after minimum three years of service.</p> <p>2. In each year of service a number of retirement points are awarded (maximum number 5 in year 1, 25 in years 29 and 30, 10 in year 40). These are calculated according to qualifications and rank achieved, work performance for the year, and results (management). The retirement pay is then calculated using a ratio based on the number of points collected through an employee's career.</p>

(Sources: Company Documentation, Company Interviews, Newspaper Reports)

## Company C Data

Figure 4.9

<p><b>Corporate System</b></p>	<p>In Mid-Stages of Fairly Substantial Restructuring. Net sales to Mar. 2000: +0.3%</p> <ol style="list-style-type: none"> <li>1. Aggressive product development and diversification within core business.</li> <li>2. Market leader in Japan in using internet as sales and product management medium.</li> <li>3. Pursuing a series of new alliances, mergers, and acquisitions in Japan outside of established business group.</li> <li>3. Increasing international presence through equity tie-ups with major European and US institutions in order to expand overseas business</li> <li>4. Major profit-oriented off-loading of interlocking shareholdings with group companies (Yen102 billion sold 1999-2000).</li> <li>5. Standard Department (<i>Bu</i>) and Section (<i>Ka</i>) system remains in place.</li> </ol>
<p><b>Lifetime Employment</b></p>	<p>Lifetime employment principle attenuated but still strong.</p> <ol style="list-style-type: none"> <li>1. Lifetime employment atmosphere weakened by crisis in financial services and collapse of major institutions.</li> <li>2. Labour market in financial services in Tokyo more fluid, particularly now that foreign institutions are seen, in some cases as equal or even superior employers to Japanese institutions.</li> <li>3. Average age for men 40.5 years of age. Average length of service is 10.6 years. Many early retirees re-employed as <i>shokutaku</i>, or part-time commission only sales agents. Nos. of regular employees down to 11,000 (2000) from 12,000 (1998). Achieved through natural wastage.</li> <li>4. Large increase in use of temporary and despatch workers for clerical and other duties at the expense of permanent female <i>ippanshoku</i>.</li> <li>5. Future intention to recruit small coterie of long-term employees for management grades.</li> </ol>
<p><b>Recruitment</b></p>	<ol style="list-style-type: none"> <li>1. Large reduction of recruitment of regular employees after collapse of bubble economy from annual average of approximately 350 regular employees to average of 130 (1999: 135). Employment of female regular employees reduced to 14 in 1997.</li> <li>2. Open recruitment of new graduates started 1998. Company no longer sends employees to universities to recruit <i>Kohai</i> and will no longer rely on university supervisors as a recruitment channel.</li> <li>3. Internet applications being encouraged.</li> <li>4. Mid-career recruitment of specialists for special product development projects increasing. Usual ages 25-32 but older employees considered.</li> <li>5. Stricter recruitment criteria and processes established to weed out unsuitable candidates before entry.</li> </ol>
<p><b>Personnel Management and Development</b></p>	<ol style="list-style-type: none"> <li>1. 1997 Introduction of internal open advertising of vacancies system (<i>shantai koubo seido</i>). Though only 30 positions advertised in 1998, company expects to expand it in future after examining its effects.</li> <li>2. Education and training based on self-development (acquisition of public financial</li> </ol>

	<p>qualifications and development of IT skills) with OJT and then Off-JT systems added.</p> <p>3. Formalised system for mid-career recruits to choose training from “menu” of options.</p>
<b>Promotion</b>	<p>Strict division between male regular (<i>sougoushoku</i>) employees and female ordinary (<i>ippanshoku</i>) employees formally weakened by introduction of “Regional” (<i>eria sougoushoku</i>) regular employment for women who do not wish to be transferred. Numbers remain very low and remains to be seen how high they may progress.</p> <p>Seniority promotion still v. strong for younger employees. By ability and performance for management grades.</p>
<b>Pay</b>	<p>1. Performance based annual salary system for assistant section chief and higher introduced in 1999. Calculated on performance and responsibility.</p> <p>2. Salary is high in comparison to non-financial companies. Up to 25% of bonus is results oriented for non-management grades.</p> <p>3. Salary for non-management based on age, length of service, rank, and family circumstances.</p> <p>4. All employees have individual based results calculated into bonus payment. Proportion of annual pay rises with rank.</p> <p>5. Starting salary for uni. grads: Yen200,860/m. For Masters grads: Yen217,580/m</p>
<b>Welfare</b>	<p>1. Extensive and comprehensive insurance system. 2. Discounted personal and housing loans. 3. Company stock investment club.</p> <p>4. Company housing available. 5. Sports clubs and facilities.</p>
<b>Retirement</b>	<p>Performance based retirement and severance pay system Introduced July 2000. Employees earn merit points based on annual performance and cash these in when they leave the company.</p>

(Sources: Company Documentation, Company Interviews, Newspaper Reports)

## Company D Data

Figure 4.10

<p><b>Corporate System</b></p>	<p>Some Substantive Restructuring. Net Sales to March 2000: -0.3% (1999: -3.2%)</p> <ol style="list-style-type: none"> <li>1. More attention paid to shareholders. Dividend raised above Yen50 to Yen 60 for first time since company establishment</li> <li>2. Early stages of a diversification into telecommunications services and technologies in cooperation with other utility providers and trading houses.</li> <li>3. Removal of mid-layer of departmental hierarchy, Local Sales Offices linked directly to head office for first time.</li> <li>4. Some international participation through transfers and sales of technology transfers, especially in Asia</li> <li>5. Introducing substantial fixed capital investment cost savings.</li> <li>6. Flexible “Group System” implemented and Sections (<i>Ka</i>) replaced.</li> </ol>
<p><b>Lifetime Employment</b></p>	<ol style="list-style-type: none"> <li>1. Lifetime employment principle strong and solid.</li> <li>2. Employee numbers to be slightly reduced to approximately 19,000 (1997-2002) from average of approximately 20,500 over the past decade. Reductions being achieved through reductions in hiring, retirement, and some transfers to subsidiaries to develop new business operations..</li> <li>3. Very little mid-career hiring taking place. Specialists trained in-house.</li> </ol>
<p><b>Recruitment</b></p>	<ol style="list-style-type: none"> <li>1. Recruitment reduced to 118 (2000) (&lt;1% of the workforce) from levels of 600-800 during 1970s and 1980s.</li> <li>2. Recruitment principles largely unchanged. Company seeks reliable high school, vocational school, and university graduates (some post-graduates). (2000 - 35 high and vocational school recruits, 33 university grads for office work and 50 university grads for technical work.) Internet application possible (1999).</li> </ol>
<p><b>Personnel Management and Development</b></p>	<ol style="list-style-type: none"> <li>1. Strongly OJT based system of training and development. Self-development increasingly being encouraged and assisted.</li> <li>2. Semi-annual MBO-style interview with line manager sets and reviews qualifications and performance targets</li> <li>3. Separate annual interview system reviews actual abilities and determines personnel movement as well as provides opportunity for employees to voice longer-term aims and hopes.</li> </ol>
<p><b>Promotion</b></p>	<p>New system that emphasises flexibility and rapidity introduced in 1998</p> <ol style="list-style-type: none"> <li>1. 8 Ranks (S3-S1 Ordinary employees, L2-L1 Senior Staff, M3-M1 Management) to Deputy Department Chief. Each S rank divided into 5 grades based on qualifications and abilities acquired and each L and M rank divided into 3 grades. Two entire management ranks eliminated in 1998 reorganisation from 13 ranks previously. Flexible Group Leader system replaces <i>kachou</i> and <i>fuku-kachou</i> (deputy section chief).</li> <li>2. Seniority-like system still largely in place, especially for S and L grades. Senior management grades (M2 and above) promoted according to tournament-style system.</li> <li>3. Promotion opportunities increasing as large group in their 50s retire.</li> </ol>



	4. 15 years is usual minimum limit for promotion to Group Leader.
<b>Pay</b>	<p>New system that places more emphasis on ability plus performance introduced in 1998</p> <p>1. Pay according to base salary (age and length of service), rank, personnel evaluations (accumulated skills, working behaviour, and results), responsibility (junior management and above), and family allowance based on family structure.</p> <p>2. Evaluations performed semi-annually by line manager and personnel department and based on MBO-style interview that examines work behaviour, abilities, and results achieved. Each of the three items graded a-e, values are added together and pay awarded. Up to 20% of pay according to evaluation but differences between highest and lowest usually no more than 10% for ordinary employees and rises for managers.</p> <p>3. Bonus is paid twice per year and is equal to approximately 5 months regular salary. Is calculated according to company performance for employees and company, departmental, and individual performance for L2 and up with individual performance proportion rising for M grades. Performance not calculated on production and sales but on work effectiveness and efficiency.</p> <p>4. Starting salaries: High and Vocational School Grads - Yen174,100/month, Uni. Grads - Yen198,100/month, Post-Grads - Yen223,100/month.</p>
<b>Welfare</b>	Extensive welfare benefits including company housing, sports and leisure facilities, B&B-type holiday accommodation in popular tourist resorts (inc. a ski lodge).
<b>Retirement</b>	Retirement payment eligibility after two years service. Calculated according to ratio of number of years served times the last base salary achieved.

(Sources: Company Documentation, Company Interviews, Newspaper Reports)

## Personnel System Changes at Company A (1960s-1990s)

Figure 4.11

	External Environment	Management Style	Employment System	Education and Training	Pay, Promotion, and Rewards	Recruitment and Labour Force
<b>From 1960s</b>	High speed economic growth	Seniority based treatment	Job grade system	Cycle of HR training is utilised to rewards (Long-term HR development)	Rank based wages Length of service and age based promotion and wages (ability not reflected) Educational background oriented administration Long-term promotion and salary system Length of service oriented retirement pension	Lifetime employment and inflexible labour markets Corporate loyalty Phased recruitment Enterprise unions
<b>From Mid-1970s</b>	Low growth Aging of the labour force Lack of administrative posts Expansion of higher education	Ability based treatment (in reality seniority style)	Ability and qualifications based system	Individualise and rank based study and training	Ability based pay Separation of promotion and rewards Increasing importance of experience and ability leading to length of service based pay and promotion	Increase in mid-career recruits
<b>From 1990s</b>	Low growth Advance of ageing Increase in labour costs Diversification of values (individualisation) Diversification of employment structures and	Ability and results based treatment	Intensification of ability and qualifications based system with results added	Specialist education Compatibility with internationalisation results	Ability based salary with results reflected Clarification of ability and qualifications leading to intensification of promotion orientation MBO system leading to clear understanding of internationalisation results Introduction of content based pay elements Revisions to service based promotion and	Diversification of employment styles Further increase in mid-career hiring Increase in use of despatch workers and foreign employees

The following analysis can be derived from the company data presented above.

1. Both phased recruitment of predominantly male employees on or shortly after graduation from university and long-term employment at a single organization until the fixed retirement age remain integral to the structures and functions of the employment system in large corporations. That is to say, the basic structures and ideologies of the lifetime employment system remain intact. Although all four companies have, to varying degrees, reduced total employment, none have resorted to mass layoffs of regular employees into the external labour market in the manner that was characteristic of UK and US companies in their major restructurings of the 1980s. For, it must be remembered that unemployment in the UK in the early 1980s had reached more than 15% of the total workforce with some regions experiencing levels of 20% or more for sustained periods<sup>lxii</sup>. Although the official unemployment data under-reports and does not reflect the true gravity of Japan's general economic and social malaise and does not reveal to us the qualitative effects of present conditions on individual workers and their families, there is little doubt that the present wave of employment restructuring, while severe for those that are on its receiving end, is by no means as severe as that which occurred in the UK. This can be attributed to, among other things, the seriousness with which large corporations have stuck to, however unwillingly, the lifetime employment principle<sup>lxiii</sup>.

What this dissertation does not research, however, is the extent to which large corporations are externalising their difficulties onto subsidiaries and subcontractors further down the industrial hierarchy, where dismissals appear to be an all too common solution. Nevertheless, the example of Company B is perhaps indicative of how a company's position within this hierarchical network of relations constrains or even determines the options available to management. Out of the four companies researched, the most extreme personnel reduction measures have been taken by Company B. Here employment of regular workers has been reduced by approximately 40% during the decade of the 1990s (from nearly 10,000 at the beginning of the decade to just over 5,400 by May 2000) but the company has achieved this through dramatically reducing and at times freezing recruitment, transferring employees to subsidiaries and subcontractors, transfers to new business departments, natural turnover, and early retirement. The principal cause of this sustained reduction has been Company B's special situation as an automotive components supplier to mainly much larger corporate clients. These large automotive assemblers have put extreme pressure on the company to reduce prices for its products and, in order to protect long-term implicit contracts, the company has complied to the cost of many of its employees.

As for the other three companies, although all companies have taken measures to reduce employee numbers and streamline operations neither has so drastically reduced total employment numbers. Company A has reduced employment in loss making departments through extensive use of transfers to affiliated companies and recruited a similar number of

mostly specialist technicians, many of whom are recruited mid-career, for the purpose of developing new business activities. The company is in the late stages of a strategic reinvention of itself from being a global brand name optical products manufacturer into a manufacturer of information technology manufacturing machinery. Employment, therefore, is not expected to stabilise until 2001 or 2002 when the restructuring is completed. Companies C and D have both reduced recruitment while Company C has also increased its reliance on dispatch and temporary employees for many routine tasks.

2. Restructuring of the dependent attributes of the employment system is substantive and represents a qualitative shift from stressing seniority and ability to a progressively greater emphasis on ability and results. The stage at which seniority becomes less important is earlier in employees' careers and results based calculations are being factored into the pay and promotion of all employees but, in particular, management.

All four companies have placed greater emphasis on individual ability and performance at the expense of age and seniority in pay and promotion. For example, Company A now no longer has either an age or a length of service based component in its basic salary, preferring to pay according to the employee's rank and the line manager's evaluation. Further, Company A has the widest pay differentials of the four companies according to academic qualifications and it does not discriminate in pay or promotion against mid-career recruits, with the result that length of service has the weakest indirect effect on pay and promotion of the four companies. Nevertheless, it is difficult to see how, as is the publicly stated intention of management<sup>lxiv</sup>, seniority can be substantively eliminated if promotion continues to be constrained by minimum service periods and employment continues to be dominated by long-term acquisition of company specific skills through on-the-job training and experience, particularly for employee and junior management ranks. In addition, although mid-career hiring from the external labour market has increased and become formalised, as a system (especially at Company A) it is, as yet, a temporary phenomenon driven by exceptional needs in exceptional circumstances and will take time to embed itself into the organisation as in the organisation as an integral feature of the recruitment of core lifetime employees. Thus, this development appears still some way from becoming a permanent and institutionalised feature of labour conditions for male university graduates in Japan.

3. Personnel management, pay, promotion, welfare, and retirement pension systems are becoming progressively more geared towards the abilities, performance, and needs of the individual employee. All four companies have proceeded to implement and deepen such individualised personnel management systems though, interestingly, Company C appears to be quite progressive in this area, for example in its introduction of an internal job vacancy advertising and application system (*shantai koubosei*), an annual salary review system (*nenpousei*) for assistant managers (*kakarichou*) and above, and a performance points based

retirement and severance payment system.

Company C is a financial institution in a sector which has until recently been heavily regulated by the government. In 1996 and 1998 reforms were introduced to liberalise<sup>lxv</sup> price competition in Company C's sector and reduce barriers between different sectors of the financial services industry. These 'Big Bang' reforms have sparked an intense period of restructuring across the industry which shows every sign of intensifying further as institutions begin to restore themselves to financial health and foreign financial institutions gear up, expand, and entrench their Japanese operations. Moreover, it is an open secret in the financial services industry that many employees are not so much interested in the content of their work but the monetised rewards that come with it<sup>lxvi</sup>. Significantly also is the fact that, more than in any other industry Japanese financial institutions must compete with foreign institutions on their own turf, so to speak. Foreign, but particularly American, institutions compete very fiercely and sometimes successfully for the best Japanese graduates<sup>lxvii</sup> and their efforts have also led to the recent appearance of what passes for a fluid external labour market for skilled and qualified mid-career university graduate recruits<sup>lxviii</sup>. Thus, taken together, it is perhaps to be expected that rewards should be incentivised in such a manner by Company C.

To be sure, all four companies have introduced various individualised personnel management and reward systems and the extent of Company C's introduction of these systems is questionable if one considers that only 30 or so employees (out of approximately 11,000) were able to move their positions as a result of participating in the *shantai koubosei*. Significantly, in interview some employees admitted to feeling that these reforms as yet amount to *tatemaie*, or window dressing, rather than being anything permanent and substantive.

4. With reference to the wider but crucial issue of the intensification of global and domestic competition and its relationship with corporate ideology, due to the twin impacts of economic globalisation and domestic liberalisation measures, increasing competition is having a measurable impact on companies' business activities and internal management systems and driving them to pay more attention to economic efficiency. As discussed above, although this is reflected in all aspects of the employment system becoming progressively geared towards individual ability and performance it would still be wrong to assert that the employment system is now based on individualism as a positivist ideology. Team based systems, evaluations, and rewards are still strong and it would be difficult on the basis of results from just these four companies to make any firm judgements as to how this is played out in a practical sense across Japanese industry. However, some preliminary and general conclusions can be made about the issues of globalisation and liberalisation which, if tested using a representative sample, might yield some interesting results.

a) It appears that the four companies can be divided into two groups. Those that do business in already substantially unregulated international markets and are exposed to the effects of

intensifying global competition, and those who have until recently been somewhat protected from the full force of competition by government regulations and who have been exposed for the first time to intensifying competition due to recent liberalisation measures. Of course, the two phenomena are indissolubly linked, however, they are also separate issues and can be seen as such in their effects on corporate systems. Both Company A and B have felt the need to initiate more radical employee redeployment and restructuring programmes than either Company C or D, for example. The cause of this is that both companies appear to be more determined and have proceeded further, with varying degrees of success, in their attempts to explore new product development opportunities and to expand into new markets. Both Company C and D occupy significant positions in mature established domestic markets and are unlikely to significantly increase sales. Although both companies are making efforts to expand into new areas, these remain in their very early stages. Company C has begun to advertise for mid-career recruits to bolster these initiatives though Company D has taken the other route of transferring some employees over to newly created subsidiaries. Moreover, both Company C and D, but particularly D, appear to maintain a greater desire to maintain lifetime employment as a normative principle.

b) As yet, economic globalisation can be seen as being a more powerful force for substantive restructuring than domestic liberalisation. This may be because liberalisation measures have been implemented only recently and so their full effects have yet to be played out, particularly in the case of Company D where partial-deregulation of its business came into effect only in March 2000 and competitors will need a considerable time to invest in and establish the required fixed capital to be an effective challenge to the regional monopolies. Nevertheless, taken together, the measures achieved already by Companies A and B amount to a greater degree of substantive change than that achieved by Companies C and D.

Nevertheless, if we consider domestic liberalisation to be the first of a two-stage process of institutional and structural modernisation with globalisation as its second stage, then it is surely only a matter of time before both Company C and D become exposed to the full force of global competition. Their response to this cannot be predicted but, conversely, if the current climate is anything to go by then the options open to management in ensuring company survival and prosperity would seem to have become very limited indeed.

c) All four companies appear to be introducing more flexible systems of organisational management in response to the rapidly changing and unstable external economic environment. Companies A, B, and D have all introduced a “*Guruupu Seido*”, or Group System, to replace the more traditional “*Ka*”, or section system, that Company C still operates. The group system places a leader at the head of a group who, in informal negotiation with other group leaders and employees within the department, then chooses group members at any time from within the department according to his and the department’s requirements. Movement of employees

between groups within each department is more fluid than under the more rigid system of sections which is controlled by the Personnel Department and, regardless of business conditions, takes place in April. In this way companies feel that they can respond more rapidly and more decisively to external developments as they occur.

The drive towards institutional and structural flexibility as well as numerical fluidity can, in addition, be observed in all four corporations in their increasing use of temporary, part-time, and despatch workers while at the same time reducing total employment. This is a structural development occurring across not only the whole Japanese labour force but the whole of the developed world and represents a qualitative shift towards a new labour force paradigm where insecurity and instability are becoming structurally endemic to all layers of society as a result of the globalisation of production and trade and the resulting liberalisation of markets.

d) Of the four companies only Company A can genuinely be said to be prospering at this time. Companies B, C, and D have experienced a drop in earnings while Company A, after experiencing losses in the mid-1990s has now returned to profit and is showing strong earnings which are predicted to grow even faster in 2001. Company A has, through a long-term and extensive product diversification and internal restructuring programme achieved global dominance of a rapidly growing and important industrial field and thus has been able to weather the economic slump fairly well as a result of some impressive strategic management. Company B has been able to achieve significant cost reductions and thus increase profit margins from previously very low levels, although long-term sales increases are yet to appear. Company C and D occupy mature markets and continue to experience flat or slightly falling earnings despite Company C's attempts to devise new versions of established products, to embrace the internet as a sales medium, and to further incentivise its employees. Company D is in an industry that is, for the most part, isolated from cyclical economic pressures, although secular developments, particularly de-industrialisation, are putting pressure on sales and, as stated earlier, the full effects of liberalisation lie in the future. Moreover, although Company D has, through its extensive fixed capital investments, an opportunity to move into the telecommunications industry, it has yet to make a decisive entry into this growing market.

While the data produced cannot be regarded as being representative of all of Japanese industry it seems that, if it is to prosper, a company must wholeheartedly develop a comprehensive and pro-active strategy for dealing with and overcoming the threats to corporate viability from developments in the external environment and their incompatibility with internal management and employment systems. Of the four companies researched, only Company A, after some very difficult times in the mid-1990s, has managed to do so successfully. Companies B, C, and D are struggling to maintain sales in increasingly competitive and mature markets for their products and appear to be adopting an, as yet, piecemeal approach to internal restructuring and product development without developing a new strategic approach that links all aspects of corporate performance and structure<sup>lxix</sup>. Company B is in a particularly difficult position, with

market share eroding to competitors and extreme pricing pressures coming from established corporate customers.

In summary, therefore, companies are in the midst of a programme of restructuring which some analysts say will take another three years to complete<sup>lxx</sup>. The measures already taken do indeed indicate a qualitative, though gradualist, shift away from the closed and organisation oriented system described in the previous chapter towards a more outward looking, economically rational, and market oriented position. Companies, as yet, feel that they can achieve this without having to abandon the very long-term employment principle. However, the reforms undertaken do not yet represent a fundamental transformation of the employment system. Such a development would require not only a transformation of the substantive manifestations of lifetime employment but a fundamental change in the ideology of corporate management. Further, for us to understand such a development as a convergence on the ideology of Western modernity it would require, in addition, the emergence and domination of individualistic ideologies of liberal self-determination and a wholesale emergence of a future oriented reflexive project of the self.

If we take Britain and United States as our model and assume that Japanese companies will eventually complete a restructuring programme of similar significance to the one achieved in those two countries between the late 1970s and the early to mid 1990s, then we can say that Japanese corporations are, in a systemic sense, in the midst of a restructuring programme that will, in time, amount to a substantive transformation of the entire corporate system and will signify a convergence towards a global standard that is a hybrid version of the Anglo-American system. However, this scenario is by no means inevitable, even if some Japanese managers believe it is, since the system itself rests on, or is embedded in, an entire world-view and requires, for its transformation, a sea change in this ideological foundation too. Until we examine the world view that underlies the system of employment, or its ideological sub-structure, we will not be able to understand what kind of system it is becoming, not only in terms of its qualitative texture but, in addition, in a material and systemic sense.

### ***The Managerial Ideology of Lifetime Employment***

From the perspective of management, if we understand lifetime employment to be very long-term employment at a single organisation for males recruited at or shortly after graduation from university, then large Japanese corporations remain committed to the principle, at least publicly, in a normative sense. However, its ideological basis is undergoing some modifications which, when its substantive manifestations are examined may appear to be comparatively inconsequential, have the potential for both heralding and being representative of a profound transformation, not only of the employment landscape in Japan, but also of Japanese society as a whole. This is because the ideology of Japanese management towards the entire post-war corporate system is undergoing a change towards viewing it as an anachronism that is



incompatible with a changing external environment and, thus, requires substantially more deep-seated reform than that which has been attempted hitherto. Further, Japanese managers believe that these reforms will, if implemented in their entirety, represent a qualitative and quantitative shift towards a convergence on a global corporate standard.

The following statements attest to the continuing commitment to lifetime employment by management. However they also reveal, perhaps unwittingly, a feeling and a realisation that the system's normative power may not be suited to the new circumstances managers find themselves within and that its mechanics may be something of an incongruity in an era characterised more by fluidity, change, and globalisation than by rigidity, constancy, and internationality<sup>lxxi</sup>. Nevertheless, the statements also reveal a deep feeling among some managers that the lifetime employment system has been and has the potential to be still enormously beneficial in terms of corporate effectiveness. Thus, an ideological shift towards an acceptance of, if not desire for, change to even this most sacrosanct of Japanese post-war institutions is taking place, but also present is a feeling of fatalistic regret, or even mourning, for the probable future passing of an institution that has come to represent some of the certainties and comforts of the past. Japanese managers accept the perceived inevitability of convergence on global systems of management but do not at all appear to relish the prospect or wish to accelerate its arrival.

But you know that Japanese society is different from the UK. We still think that we should guarantee employment for the employee's whole life if we could. We don't give up that. Generally, we have come to think about costs and we think we should pay more to high quality employees but we still don't think about firing people.

The difference between British and Japanese companies is ... the weight paid to stakeholders. ... In America it is the shareholder and management manage in their interests. In Japan it is still the employees who are large stakeholders. The important point is that the Japanese system is coming closer to the US or British system in this respect.

... In Japan we have traditional ideas and traditional values and so it is still hard to fire someone. It is changing but very slowly. Mainly it's moving closer and closer to the UK and US, but in Japan it is still very hard to find a new job if you lose your job.

**General Manager, Company D, Early 50s**

... my speciality for fifteen years has been overseas business. When you go overseas then you are competing against American, British, European and Asian companies. Also the international division has to pay attention to Japanese government rules about whether something is allowed or not allowed. But over the last twenty years the international climate has become gradually more liberalised. Inside Japan it is a little different, I think.

... In fact I was the president of the Singapore subsidiary of [this company] and, maybe you know, Singapore has a very liberal employment system and the fluidity of the labour

market is very intense. But, against that, you can still hire good people. If I ask which is best then I would say that Singapore has become too liberal. Employees can enter and leave companies too easily. But, in Japan, it is a little solid. There is no flexibility. If you say that Japan's situation is bad then you might say that Singapore is good. But, if we both worked at the same company ... then our feeling of trust would grow and become strong easily if we worked for a long time ... ten or so years together ... and we both knew that we both had the intention of staying here for life. But in Singapore if you have to work next to someone who might leave after three months then ... In that meaning, the feeling of security and trust is not strong.

**General Manager, Company C, 48**

There is a profound feeling among Japanese management that the synergistic constellation of more or less favourable circumstances that existed for more than thirty years after the establishment and entrenchment of the post-war system and which in large measure facilitated Japan's reconstruction and transformation into one of the world's richest and most technologically advanced nations has all but come to an end. In fact, it would not be an exaggeration to state that the opposite state of affairs is gradually coming to take shape, at least in the minds of Japan's managerial elites. That is to say, a series of external structural developments and changes appear to be conspiring against the Japanese corporation to the extent that standard approaches to weathering economic difficulty, while continuing to be of use, are no longer perceived as being sufficient and, thus, in addition to internal structural reform of the principle functional attributes and institutions of the Japanese corporation, change to its ideological foundations is also rapidly becoming a necessity.

These structural developments include, among others; long-term prospects for low or stagnant domestic economic growth; intensifying global economic competition; continuing long-term domestic de-industrialisation; a gradual collapse of the 1955 political system on the domestic front and a rapidly globalising international political arena; complex demographic difficulties that include low birth rates and an ageing population; a gradual but steady relaxation of protective government regulations including the 'Big Bang' financial reforms; the achievement of a materially affluent society; fundamental changes to domestic and international consumption patterns; an increasing proportion of smaller cohorts of young people graduating from university; changes in the attitudes and value patterns of young people in Japan and elsewhere; rapid and sustained advances in communications and information technology; and so on and so on. Following are statements by managers from each of the four companies researched about some of the difficulties with which they are faced.

The question of liberalisation is a serious one for [our type of] company. We need to think about what kind of [utility] company we wish to be in the future as circumstances are changing. ... One more thing is the falling birthrate, which is reducing the population. ... Another thing is that industries that consume a lot of [our product] are shrinking in favour of a service oriented society and economy.

### **General Manager, Company D, Early 50s**

First, more and more people are investing in [our products] for a more peaceful life. From now on [the company] will not just be offering [our standard products] but other financial products. That's the Big Bang. With that competition will increase enormously, but if we don't overcome that then [the company] will disappear. In order to do that, the foundation will be [our present business]. ... If we work hard we can earn more profits and open up new areas of business. If we don't do that and stay with [our standard products] then we won't succeed with the Big Bang. ... If we don't say to ourselves, not just in our core area of business but realistically, "How can we provide a service?" especially in terms of providing measures for the aging society, then we won't succeed.

... There are two more problems. The first, during the high growth period the company hired very large numbers of people. At that time it was a successful policy, but, honestly speaking, at this company people joined that weren't really needed. ... So now, with low growth, there are people who leave or who are made to leave. That is to say, we hired a lot without doing the required research and now we have a problem. They are not bad workers, and they have skills but they don't have the skills that [the company] requires. We'd like those people to quickly realise this and change jobs.

The other problem is that our generation and the younger generation are different. For me work is the company. [The company] is my work. For younger people, they want work that suits them. If they don't find work at [this company] that suits them then .... When I entered [the company] I wanted to work here for more or less the rest of my life, so I looked for work that suited me inside [the company]. It was that kind of way of thinking. I doubt, after the collapse of the bubble, that young people think in that way. Since the collapse of the bubble there are a lot of people who have joined the company and within three months have left and joined a different company. ... People now look for work that is suited to them and are strict about that.

### **General Manager, Company C, 50**

Until now there has been the Spring Wage Offensive (*Shunto*) in Japan. At that time the main industries make their decisions early and so this has an effect on suppliers and their negotiations. If [a major automotive assembler] raises its wages by say three percent then we cannot raise ours any higher. There are many reasons. One thing that is often said is that, if suppliers raise their wages higher then the contractor will ask for parts costs to be lowered. Because of international competition every year is getting more difficult and they ask us to lower costs and so we cannot pay our employees more than they do. They don't say to us that we cannot raise our wages in this way but from our point of view we cannot and they know this.

... Nowadays we need creative people and people that are independent and who don't

have to rely on others and those that can set their own goals and challenge themselves. Its not that we don't need the cooperative atmosphere of before, we consider that now to be a given, but we need those types of people in addition to that and it is difficult to recruit them in this atmosphere.

Q: So, how does the company motivate such people and keep them if you can't pay them any more?

That is a big issue. One thing is that we clearly understand that the company's and the individual's needs are mutually compatible. We ask people what their purpose is for being in the company and so on and try to explain to them how that fits in with the company's plans as well as trying to put them in places that they want to be in. If people's aims don't coincide with the company's then we tell them that we want them to be like so and so. We try to make a direct mutual connection between the individual and the company. This system has gradually become more effective. Of course we look most closely at performance and that is coming more and more to affect pay and other things. We also clearly tell them how we think about their performance so that they can understand why someone else in their year group became a manager ahead of them. This is an important difference from when I joined.

#### **General Manager, Company B, Late 50s**

From reading the above statements a number of different issues come to the fore. One is that each company, depending on its industry and position within it, faces different difficulties and structural developments that require different solutions and this, inevitably, is contributing to a diversification of personnel management and employment systems across Japanese industry. Another is that the statements barely conceal a feeling among these managers that the rigidities of the corporate system, and within that lifetime employment, are somewhat of an inconvenience in their efforts to reform and restructure themselves. However, what is also significant is the degree to which management in all four companies appears to feel that it is being buffeted by external forces that are beyond their control to weather using so-called traditional means. And finally, the last statement reveals, possibly accidentally, a more subtle but no less important development. Companies, in addition to modernising internal systems and structures to deal with the exigencies of a new era, are in the initial stages of a liminal strategy to modernise (meaning both to bring up to date and make reflexive, or individualise) the consciousness of their employees. For, to repeat, if structural transformation appears necessary then ideological transformation is also required in order for change to be accepted and adopted.

### **Fabricating the Modern Employee**

In April 1998 Company A printed and distributed to all its employees a four page foldout colour

document entitled *Jinji Bizhon 21* (Personnel Vision 21)<sup>lxxii</sup>. Explicitly recognising the incompatibility of the employment system with external conditions, the company describes a “greatly changing economic and management climate” that demands the conscious and deliberate construction of “a new type of company and employee that correspond with the social and labour environment.” The document describes this new era as being characterised by accelerating international competition, severe competition in technology, greater pressure to achieve customer satisfaction, environmental problems, the falling birthrate and ageing of society, an increasing desire by women for equal participation in the labour force, changes in people’s work consciousness, and the diversification of enterprise activities.

The company predicts, somewhat optimistically, that the 21st century economic system will be “free ... fair” and “global” and to meet this challenge it is pursuing a bottom-up strategy of reinventing the internal mechanics and philosophies of the organisation through a “plan, do, see” and a “scrap and build” approach. That is to say, the basic foundations of all the structures upon which management and employees relied in order to navigate their way through the world of work will be examined for their compatibility with the new era and if any are found wanting they will be replaced and re-examined in a never ending process of reflexive reconstruction.

Moreover, management wishes to construct a new relationship between company and employee that is based not on a dissolution of the self into the corporate body in order to forge a long-term village-like community of mutual dependence among a closed hierarchy of *kaisha ningen*<sup>lxxiii</sup> but on the “realisation of an independent spirited professional body that is a partnership between the company and the individual for the joint ownership of values and results.” This body is based on a realisation of each person’s responsibility to “actively raise his own value” and for each individual to “feel a sense of that which makes life worth living”. However, this “strengthened organisational character” is to be arranged around “a small group of talented people” while also recognising “the diversification of employment structures” such as “the use of despatch and contract workers and foreign employees and increasing temporary transfers.”

By any standards this is an impressive document in the sense that it maps out a comprehensive ideological foundation for the future relationship between the employee and the corporation and, clearly, it is the product of some serious and lengthy research and discussion. Importantly, Company A is not unique in pursuing this strategy of constructing a new corporate ideology that begins the process of cutting the umbilical cord of emotional dependence between employee and company that has existed in Japan for so long. Also in 1998 the Human Resources Development Centre at Company D produced a new guide for all employees to develop themselves entitled *My Try Next: Jiko Henkaku no Tame no Kyouiku Shien* (My Try Next: Educational Support for Self-Reform). This document too places responsibility for a conscious strategy of self-development and self-transformation squarely on the shoulders of the individual employee through the construction of a step-by-step guide for the realisation of

individually generated and company supported employee autonomy, creativity, and growth. The document's cover is peppered with the Chinese characters for "Competition, Autonomy, Mission, Reform, Creation, Change, and Speciality." Moreover, the same company has even distributed to all its employees credit card sized mission statements on management and personnel policy. Figure 4.12 below shows English translations for both sides of this card. In encouraging employees to carry this at all times by keeping it in their wallets the company is surely doing all it can to develop in employees a new consciousness that focuses on developing individuality and autonomy as well as an orientation towards a future that is dominated by global competition and individualistic and reflexive transformation.

### **Company D Mission Statement**

**Figure 4.12**

<p><b>Basic Management Strategy</b></p> <p>1. Advancing into and creating the future together with the customer while focusing on the core business.</p> <p style="text-align: center;"><b>Towards the Future Together with the Customer</b></p> <p>2. Developing a symbiosis between the local and the global through activities as good corporate citizens.</p> <p style="text-align: center;"><b>At the Centre of the Earth's Society</b></p> <p>3. Developing and creating new activities under the principle of personal responsibility</p> <p style="text-align: center;"><b>Towards a Lively Tomorrow</b></p>
<p><b>Corresponding with a New Era of [Utility] Supply</b></p> <p><b>The Human Resource Image We Should Aim For</b></p> <p>1. Facing competition with a strong will - Display a challenging spirit</p> <p>2. Achieve the mission with self-knowledge - Win the customer's trust</p> <p>3. An autonomous spirit - Think and behave for oneself</p> <p>4. High levels of specialist knowledge and technical research - Aim to be a [utility] professional</p> <p>5. Achieve creativity - With a new imagination</p>

Source: Company D

What does this development represent for the relationship between the Japanese company and its employees? Japanese management feels that it is caught up in forces that are more powerful than they are able to control or resist. Believing that the globalisation of Western capitalism has a level of inevitability about it that is crushing the ideology of difference within modernity that the Japanese people have until now successfully fought, like so much from the West that arrives uninvited in Japan, management feel that they must capitulate to its

unchallengeable power, embrace it, work with it, and then remould it to suit their own particular circumstances and needs.

Certainly, Japanese managers sincerely believe that the systems and structures they are striving to create are a positive contribution to and improvement on employees' lives as well as being crucial to the long-term survivability of the firm. Moreover, they also sincerely feel themselves to be caught up within a self-regulating mechanism that is beyond their capacity to control. Sensing the incompatibility of the systems and ideologies of employment within their companies with a globalising modernity that stresses flexibility, fluidity, and rapidity as well as change, reflexivity, growth, autonomy, and individuality, managers are striving hard to catch up with and adapt to circumstances that appear always to be just ahead of their grasp.

Managers believe that the work orientation of their employees is inconsistent with the doctrines of the emerging flexible globality. As a consequence, managers are not only in the midst of reforming and remodelling the mechanisms and structures of their corporations but they are also embarking upon a liminal strategy to refashion the basic consciousness of their employees in an effort to fabricate<sup>lxxiv</sup> within them the mentality of modernity. While ostensibly, though paternalistically, conceding to employees the right to determine themselves and to realise an authentic self, management also unwittingly sends out the totalitarian message that the employee is compelled to be free to determine himself so long as that self is commensurate with corporate needs. This is nothing short of a Japanese version of Casey's (1995) "designer culture." For Japanese managers, admittedly themselves capitulating to the perceived strength and irresistibility of what they view as the globalisation of Western capitalism, are embarking on a wholesale and intentionally fabricated and planned alteration of the employees' personalities and values. Although management appeals to the voluntarism within the employee to change himself, there is an understood but rarely explicitly mentioned message of compulsion that lurks surreptitiously between the lines of upbeat encouragement. The message compels the employee either to pursue a self-generated reflexive project of the self that conforms to the human resource needs of the corporation or face being restructured<sup>lxxv</sup> out to the periphery of the corporation and, thus, career failure.

Put another way, Japan's corporate managers appear to be in the, as yet, early stages of developing and implementing their own defensive corporate dystopia. Like Casey's American corporation, this is not so much a pro-active strategy but more a late response to the perceived exigencies of an economic globalisation that pitches management between the isolationist rigidities and incongruities of the post-war Japanese corporation and the dissonant artificiality of a complete convergence with the Anglo-American system. Second, it is a belated acknowledgement of the inevitable consequences of a rapid material expansion that is generating the kinds of social dysfunctions and predicaments that demand for their solution nothing less than the most thoroughgoing and deep-seated transformation of Japanese society. It is in its essence a liminal struggle by management to fabricate a new modernity out of the decaying structures, customs, and cultures of the post-war order in an attempt to fend off or at

least hold at bay, through an orderly retreat, the apparently unrelenting advance of the seismic sea wave that is the globalisation of capitalist modernity.

It is at best disingenuous to stress to employees the principles of “a partnership between the company and the individual” or “joint ownership of a sense of values” and “joint ownership of results”, as Company A does in its *Jinji Bizhon 21* document, when at the very same moment management, first, is determining the values upon which the company will henceforth be based and, second, is espousing a new system of corporate governance that places greater importance on the role and importance, read power, of shareholders. In addition, these statements reveal another, and more significant, message which is entirely at odds with what management wishes ostensibly to convey. At one time the company and the employees could not be separated for they were one and the same, at least in the consciousness of company members. There would have been no meaning in the word partnership because they were not separate entities with a potential for conflict. Therefore, the idea of partnership that this message sends to the employee, subliminally, is the *separateness* of the employee from the corporate community and, of course, the real owners of the corporation’s sense of values. The results obtained from the expected improvement in employees’ efforts become, therefore, those of management and shareholders.

After first spending nearly twenty years in an education system<sup>lxxvi</sup> that itself inculcates an ideology of sacrifice for the common good and the merging of self with community for the purpose of securing long-term stability and continuity for all and then joining the very embodiment of Japan’s twentieth century solution to the fundamental contradiction between the globalisation of capitalist modernity and the maintenance of tradition and community, one can imagine the effects on the inner consciousness of employees of such an unintentionally cunning, seductive, and perfectly unchallengeable about face. For beneath the refreshing liberation from national corporatism that management espouses employees have little option but to comply. Leaving the company is dangerous for oneself and one’s dependents, especially at a time of rising unemployment and continuing structural rigidity in labour markets. Refusing to comply with managerial dictates on employee personality and values carries a real danger of being expelled to the periphery of the corporation and the probability of being restructured. Even if one complies there is no guarantee of success since, first, management decides who will join them on the upper echelons of the corporate ladder and the space is becoming progressively more limited, second, the very survival of the corporation is now no longer certain, and third, success itself, in a reflexively individualising modernity, is emptied of meaning if it comes laden with the compulsive requirement to comply to other people’s criteria for living. For if meaning becomes extinguished in this manner what is left for the employee except narcissism and nihilism?

Ultimately, what can the employee do? Apart from a voluntary rejection of the entire ideology of the modern Japanese corporation by developing a genuinely individualistic reflexive project of the self, only two courses of action remain and these are collusion with or capitulation



to the forces of his own pernicious exploitation, thereby robbing the soul of its essential vitality and driving the individual towards consumption and, ultimately, self-negation. The corporation cannot as yet tolerate the former solution, for, alongside demanding dynamic external labour markets and thereby handing the employee his exit voice, it invites reflexive criticism and detached analysis of the dependent relational nexus between management and employee and the potential translation of its ideological consequences into spirited, vigorous, independent, and direct social action and resistance on the part of the employee.

To be sure the roots of this state of affairs, at least in the opinion of management, lie beyond the company and, even, beyond Japan in the very structures and ideologies of capitalist modernity and its globalisation and not in any sort of managerial cynicism. Managers, for their part, believe they are working to secure the survival of the whole corporation by striving to improve corporate competitiveness. This means, for them, being forced by the power of circumstances to keep up with and adapt to global standards of corporate organization, administration, and ideology. However, Japan too has been and is a coloniser and an exporter of ideologies and systems with which other developed countries, and the companies within them, feel they have no option but to compete through a radical intensification of the work process and a despotic imposition of a fabricated modern consciousness a la Casey's designer culture. And this process, of course, in turn reflects back upon the Japanese corporation and so on and so on in a never-ending mutually defensive intensification of competition. Consequently, in attempting to steer their companies safely through the raging sea that is the globalisation of capitalist modernity, managers have become willing and active though somewhat unwitting and defensive conspirators in the inherent and self-regulating tendency of modern capitalism to penetrate into and control and manipulate ever wider areas of the world, ever more areas of human activity, and ever deeper realms of the human consciousness.

# Chapter 5

## Between Two Modernities

It is by means of reflexiveness – the turning-back of the experience of the individual upon himself – that the whole social process is thus brought into the experience of the individuals involved in it; it is by such means, which enable the individual to take the attitude of the other toward himself, that the individual is able consciously to adjust himself to that process, and to modify the resultant of that process in any given social act in terms of his adjustment to it. Reflexiveness, then, is the essential condition, within the social process, for the development of mind.

**George Herbert Mead**, *Mind, Self, & Society*

In what is coming to be referred to as Japan's "Lost Decade"<sup>lxxvii</sup> the idea of the complete abandonment of the lifetime employment system has been mooted from various perspectives on an increasing number of occasions. Indeed if one were to take some popular books at face value then one might be forgiven for thinking that the system exists now in name only as a convenient fiction and has, in actuality, already collapsed. One of these, entitled *Sarariiman Houkai* (Fall of the Salaryman), goes so far as to claim that the "age of lifetime employment has ended" (Utsumi, 2000). Another, referring to the rather dreary Japanese colloquial expression that "The nail that sticks up will be hammered down" is titled, *Denai Kugi wa Suterareru* (The Nail that Doesn't Stick Up Will be Thrown Away) (Terao, 1998).

How are salarymen coping with this new era of dynamic strategic change? Are they developing an authentic and autonomous modern consciousness with respect to their careers and the institutions of their employment? More concretely, how can this consciousness be described and what are its characteristics?

### Needs, Desires, and Values

Whether deliberately or not, a large proportion of research into work consciousness has been greatly influenced by the writings of the American psychologist Abraham Maslow. His most important book, *Motivation and Personality* (1987 [1954]), introduces the concept of a "hierarchy of needs" to describe the structure of human motivation. This is a five-tiered hierarchy that proceeds from physiological through safety, belongingness and love needs to the need for esteem and, finally, self-actualisation. In this schema once one need has become

“chronically gratified” (Maslow, 1987 [1954]: 18), the individual transfers most of his or her psychic energies towards achieving the next level. Although Maslow understood that humans are integrated beings and motivations are therefore complex psychological and physiological states, at a basic level, he claimed, human motivation might be understood through this hierarchy.

Many scholars have tried, rather unfairly at times, to discredit Maslow’s work, principally because his research conclusions were based on a narrow range of subjects<sup>lxxviii</sup> and the structure of human motivation is more complex and fluid than this rather mechanical structure and its functions allow. Nevertheless, his work not only continues to influence research into human motivation and life and work values but it has come to be incorporated into and has helped to shape public discourse about these subjects throughout the world, perhaps even affecting the structure of motivation itself through enhancing our understanding of the phenomenon<sup>lxxix</sup>.

Two of the most important conceptual issues to have come out of Maslow’s work are the division of his hierarchy into a simplified system of physiological needs and psychological desires as well as the relationship of these two states to the subject of values. It is important to distinguish the concepts of needs, desires, and values since, first, unlike desires, needs describe physiological insufficiencies which, if denied would threaten an individual’s existence, and second, desires describe a psychological preference for achieving a state that is ethically neutral (Pryor, 1979). Values, on the other hand, while they are indissoluble from needs and desires, have an ethical dimension that is largely absent from the phenomena that Maslow and his successors have described. Thus, values will tend to possess a greater complexity as well as be coloured by emic variations. That is to say, since ethics are determined by belief and custom as much as they are by actual conditions there will be a greater variation in values between cultures than will be the case for either needs or desires.

Although, theoretically, needs and desires are predominantly etic phenomenon (McGaughey, Iverson, and De Cieri, 1997) and thus might show variation within a culture according to criteria such as economic context, the particular outcomes or concrete manifestations of needs and desires will also necessarily be coloured by emic variations that depend on the particular social and cultural circumstances that each person encounters<sup>lxxx</sup>. Accordingly, different groups of people will *value* certain modes of expressing their needs and desires over others and these modes will be different across cultural and ethical divides according to each group’s systems of belief, ethics, and customs. Thus, the question of values is altogether more complex than either needs or desires since it involves combining the basic structure of needs and desires that nearly all people possess with systems of belief that are necessarily different across cultures.

Values, and their combination with needs and desires, become even more complicated when we connect them with the question of how people negotiate their lives through the institutional and organisational systems that make up society. For when applied to the actual

contexts of social, political, and economic life, the substantive manifestations of human motivations will necessarily be coloured by the problem of ends and means. That is to say, end states represent the concrete outcomes of needs, desires, and values. However, people must also negotiate a path through existing structures and circumstances by using the means that they deem necessary or possible, according to their system of values, for the achievement of those outcomes.

To be sure, Maslow's hierarchy is somewhat simplistic when applied to human motivation and its relationship with social behaviour on an individual level but, as both Inglehart (1990 and 1997) and Watanabe (1997) successfully argue on the basis of an enormous quantity and variety of longitudinal research data, it may be applied as a general schema to the structure of needs and desires on a macro-scale. The principal weakness, however, of Inglehart's and others' adoption of Maslow's work is that more often than not they fail to describe critically and concretely what self-actualisation is as a state of mind, how it functions, and therefore the nature of the social and psychological substructure that is driving the new society that they describe. Maslow himself (1987 [1954]) used the term "peak experiences" without focusing too hard on the details of how it functions in social life while Inglehart for the most part avoids the problem. Giddens describes an ongoing "Reflexive Project of the Self" but, again, does not adequately describe its functional characteristics.

This is an important issue to pin down when we attempt to analyse and understand social development in capitalist modernity because it impacts on the types of institutions and structures that people construct in order to filter their consciousness into concrete reality. Moreover, if indeed the end state of self-actualisation is becoming the new psychological mechanism of social regulation in modernity, as Giddens, Inglehart, and others claim, then it is important that we understand more completely than hitherto what it is and how it functions. More specifically, if a Maslovian type hierarchy can be observed on a societal level and as most Japanese people's physiological needs can now largely be taken for granted then adults will surely, on the whole, concentrate on satisfying their psychological desires. Further, if in a general sense people's desires for security, belongingness, and prestige become chronically satisfied through long-term employment and promotion within a large and well-known community-like corporation, then surely they will begin to make greater efforts towards achieving authentic individual self-actualisation. And, if work has become the locus in modern society for the manifestation in concrete and liminal reality of the individual consciousness then the modern corporation, as it is society's most widespread, sophisticated, and developed organisational form, will perhaps be the principal site upon which people may wish to realise such a state.

## **Flow**

To date the most comprehensive examination of self-actualisation is the work of Mihaly Csikszentmihaly (1988 and 1993) and the group of scholars that are gathering around him to

research the concept of what he calls “optimal experience” or “flow”. He describes it as a consciousness that derives from what he terms the “emergent teleonomy of the self”. That is to say the reflexive free will that humans possess and which links together but is distinct from either genetic or cultural teleonomy<sup>lxxxix</sup> enables them to discover experiences that lead to a psychologically negentropic<sup>lxxxii</sup> and developmental state that is profoundly fulfilling but requires increasing levels of sophistication and challenge (1988). I will leave it to Csikszentmihaly himself to describe how flow functions and what its significance is for self and society.

In our everyday activities, either by chance or by design, we come in contact with experiences that we have never been exposed to before. ... Some of them ... will be negentropic - that is they will increase the order of the self because they will be congruent with already established goals. Therefore they will produce a sense of exhilaration, energy, and fulfillment that is more enjoyable than what people feel in the normal course of life. When this occurs, a person will tend to replicate this state of being in preference to others. The activity that produced the experience will be sought out again and again. To the extent that this is done, the self will be built on the model of emergent goals.

The evolution of consciousness - and hence, the evolution of culture and ultimately the evolution of the human species - hinges on our capacity to invest psychic energy in goals that are not modeled exclusively on the teleonomy of genes or cultures. When we step beyond motivations based on pleasure, power, and participation, we open up consciousness to experience new opportunities for being that lead to emergent structures of the self. This is autotelic motivation, because its goal is primarily the experience itself, rather than any future reward or advantage it may bring.

... The universal precondition for flow is that a person should perceive that there is something for him or her to do, and that he or she is capable of doing it. In other words, optimal experience requires a balance between the challenges perceived in a given situation and the skills a person brings to it. ... any possibility for action to which a skill corresponds can produce an autotelic experience.

It is this feature that makes flow such a dynamic force in evolution. For every activity might engender it, but at the same time no activity can sustain it for long unless both the challenges and the skills become more complex.

Csikszentmihaly (1988: 28-30)

Although this is an exceptionally powerful idea with profound implications for every area of human activity, what Csikszentmihaly does not describe is, first, the mechanics of how people might discover flow in their lives and, second, though he hints at it, how people behave when they are prevented from experiencing flow by the social structures and mores in which

they live. Se (1999), attacks the first problem by urging us to liberalise and marketise our institutions in order that people might be allowed to pursue “experiments in living” so that they may discover what activities enable them to gain fulfillment. His argument is persuasive but it fails to alert us to the inherent potential for insecurity and instability by establishing and strengthening the primacy of economic and market based institutional structures.

Csikszentmihaly (1988) alludes to the second question by suggesting that another way to build the self is in relation to instructions endorsed by the social system and to become part of the system rather than controlling it, thus merging one’s being with that of the greater whole. Interestingly, he uses the faithful employee as one of his examples of a manifestation of this solution. In the process the self loses its autonomy, but in exchange gains identification with a larger, more powerful entity and, thus, the teleonomy of self might be organised around goals that involve participation. Nevertheless, this solution requires abnegation of other goals in order to experience the sense of belonging and merging. Csikszentmihaly recognises the inherent instability and rigidity of this solution since the apparently selfless members of such a community will, in circumstances of systemic incompatibility, contribute to destroying the system itself because individuals’ desire to replicate a sense of belonging begins to take precedence over and override the requirements of the system to become adjusted to its new or emerging circumstances. Further, Csikszentmihaly (1988: 27-28) argues, “if these were the only sources of motivation, human behaviour would remain the same over time. Yet consciousness evolves” and “attention has become focused on more and more differentiated stimuli” and this will gradually cause the system itself to implode as its own members begin to choose individual self-construction as the principal route into self-actualisation.

## **Work Values in Japan**

There is a widespread feeling in Japan that a fundamental change has occurred to the system of values that helped to propel Japan to its place among the rich countries of the world. This feeling is not confined to academics and media commentators but is also common among ordinary adults and young people.

Fujioka (1989), somewhat patronisingly, says that time is the missing ingredient because Japan lacks the refinement of a culture that, like a good wine, has mellowed over time. Adopting a more scholarly approach to the issue, some academic observers have painted a rather depressing picture of mass social-psychological decay. It has been argued that the various pathologies described are a consequence of the rapidity of Japan’s achievement of affluence, an incompatibility between Japan’s traditional value system and the demands of modern capitalism, and the lack of a clearly defined direction now that the explicit national goal of material parity with the West has been achieved (Allison, 1994, Hirooka, 1986, Kato, 1994, Kitayama, 1990, McCormack, 1997, Mouer, 1989, Ohira, 1990, Tao, 1998, and Vadim, 1990).

Clearly something is afoot. For how can it be that in the space of less than ten years Japan has gone from being the society that the West should study and try to emulate to being the

one that the West should understand for the purpose of avoiding making the same mistakes?

Focusing more narrowly on the salaryman's work consciousness and his relationship with the institutions of his employment, and echoing similar research done in the United States some twenty years earlier (Jurgensen, 1978 and Yankelovich, 1978), some have suggested that young people in Japan are developing a new set of work values and that this phenomenon is intimately linked to the achievement of an affluent society (Herbig and Borstorff, 1995, Imada, 1997, Nitto, 1993, Schlosstein, 1995, and Yamakoshi, 1996). Their thesis claims that the structures of employment have not changed dramatically since the establishment of the post-war system and, therefore, have become inconsistent with the emerging consciousness of Japan's young people which is being formed within a radically different material environment where the problem of scarcity exists only for those on the margins of society. As a result, the essence of this new consciousness appears to be less attention being paid to achieving material stability and security and a steadily greater desire for individual self-determination in controlling one's career trajectory as well as one's life biography in general, a greater desire to experience self-fulfillment through deep involvement in the content of one's work at the expense of long term absorption and participation in organisational socialisation, and an increasing desire by younger employees to enjoy participating in and developing family and other relationships as well as leisure pursuits external to the corporation. More precisely, the consequences for the lifetime employment system and the corporation are likely to be profound since they strike at the long term organisation orientation that lies at the heart of its successful operation.

### ***To Have One's Cake and Eat It?***

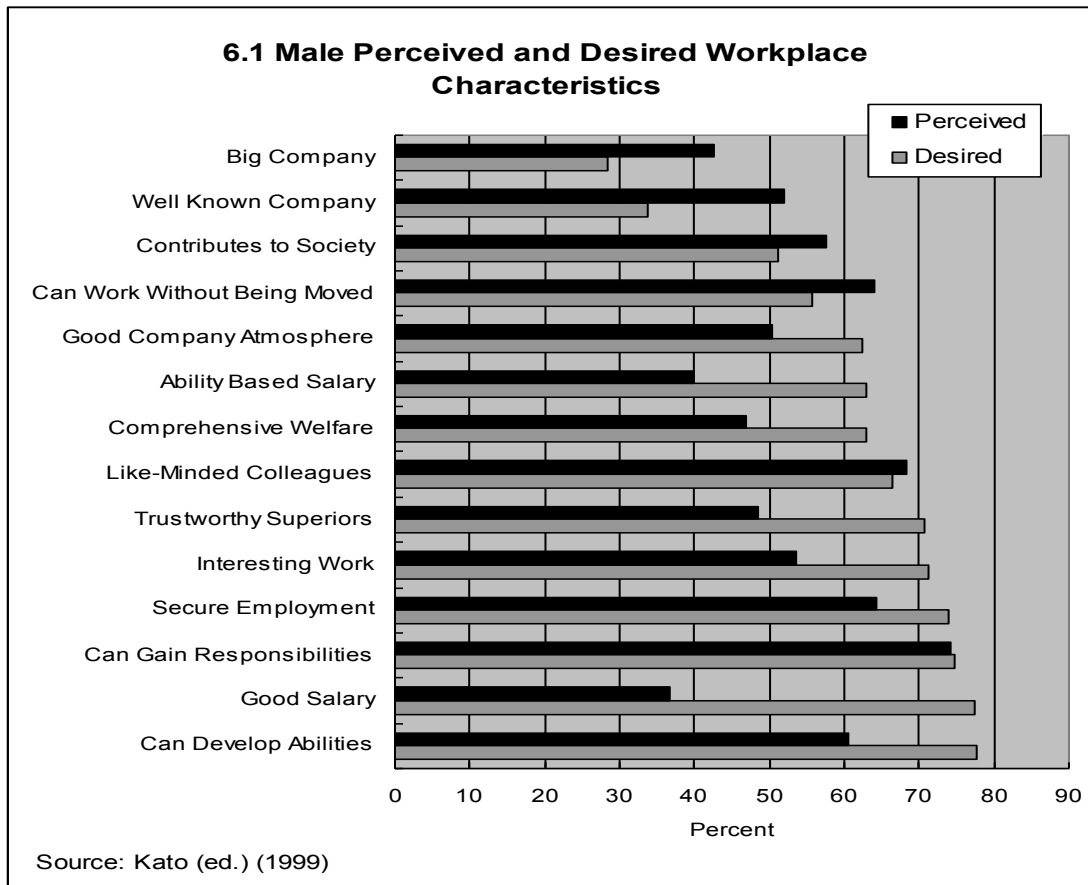
Are wealth, security and stability, prestige and self-esteem, good social relations, and self-actualisation mutually contradictory objectives to expect to achieve from working in a large bureaucratic capitalist organisation? It would seem to be difficult for people to attain all of these objectives from a single workplace or even if one includes other life spheres such as leisure, religious, educational, and community activities as well as personal relationships. Nevertheless, it is testament to the centrality of work in modernity that this is precisely what Japanese employees appear to wish to achieve.

The Raifu Dezain Kenkyuujo<sup>lxxxiii</sup> (Kato (ed.), 1999), gathered data from 2,210 people<sup>lxxxiv</sup> between the ages of 18 and 69 on a series of lifestyle topics including work. This research shows us how work appears now to occupy a crucial role in the satisfaction of a diverse range of needs, desires, and values among Japanese people. Figure 5.1 shows male desired and their perceived workplace characteristics and it illustrates a number of important issues. For these respondents the most desirable workplace characteristics are where one can, in order: develop one's abilities, get a good salary, have responsibilities, have a secure job, have interesting work, have trustworthy superiors, and have like-minded colleagues. Substituting this data for a Maslovian hierarchy would be too simplistic and, moreover, there is the additional problem that the respondents were of different ages and backgrounds, thus clouding the issue of

whether a new set of work values is developing among the young. Nevertheless, it is clear that these respondents wish to satisfy a broad range of needs and desires from their work and that security and stability of employment is, even in the present circumstances, not the most highly valued among them.

The second important point is that the respondents, by and large, felt that there was a miss-match between their objectives and what they feel their employer is actually providing. Of the 14 attributes listed, in only five cases did respondents feel that the company is providing more than they desired and four of these were the least valued attributes. The greatest differences between respondent desires and perceived company performance were over material rewards, with respondents feeling that they were not being paid enough, that the method of calculation was not based enough upon their abilities, and that the company welfare packages are inadequate.

There were also considerable differences between respondents' desired work content and what they felt they were being offered, confirming the suspicion that Japanese employees seek, but to a certain extent appear to be being frustrated in their attempts to gain, more interesting as well as more challenging work. Whether this represents a negentropic desire for self-actualisation through the repeated experience of flow in ever more challenging and differentiated environments and tasks as the individual's skills and knowledge develop and become more complex is difficult to answer, however, at least some kind of relationship cannot be discounted.

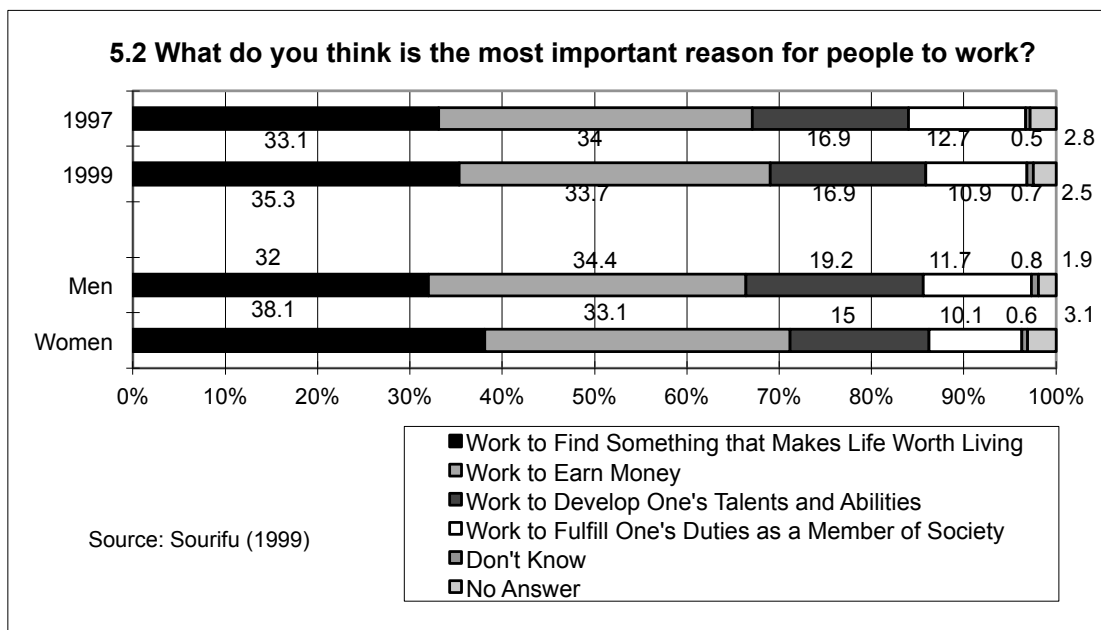




Nevertheless, it is by no means the case that a pattern pointing to a strong and exclusive desire for self-actualisation is becoming firmly established. The idea that Japanese would like to gain greater security and more material rewards from their work as well as experience more spiritual or psychological satisfaction is born out by a number of government studies. Statistics produced by the Prime Minister's Office (Sourifu, 1999)<sup>lxxxv</sup> had 52.9 percent of more than 7,000 respondents saying that their ideal work would provide income security and stability, 34.9 percent replying that their ideal job would have an enjoyable working environment, and 34.2 percent responding that it would give them an opportunity to make good use of their specialist knowledge and abilities. Since the previous study in 1997, the first figure has increased by 3.7 and the second and third had been reduced by approximately one percent each in the same period. The number of people responding that their ideal job would be one without fear of being made unemployed had increased from 14.7 to 17.3 percent. Clearly, fear of unemployment and the resulting feelings of insecurity appear to be increasing, adding to the feeling that life may not be what people wish it to be<sup>lxxxvi</sup> or what they believe it could be. However, the figures also reconfirm that a substantial proportion of Japanese do indeed desire more fulfillment from their work.

Nevertheless, the changes in the figures may also point to the continuing but probably temporary effects of the present decade of stagnation. What is also interesting is that, when asked which of either more money or more free time they would choose, the proportion opting for more income has fallen from a high of 53.3 percent of respondents in the 1994 study to 48.7 percent in 1999. The number opting for more free time rose to 34.2 percent from 29.4 percent during the same interval, suggesting that material rewards per se are becoming less important in relation to the opportunities to enjoy, or actualise, them that extra free time might bring.

Importantly, in the same survey, respondents were asked what they thought was the most important purpose for people to work (figure 5.2), thus, rather than being asked to list their work preferences, they were being asked here to describe their principal work values. The results were a slight contradiction to the other data because income came out as the second most important value, slightly lower than working to discover one's *ikigai*, or something that makes life worth living. The third most important value was working to develop one's talents and abilities and the fourth was doing one's duty as a member of society.



Moreover, what is also interesting about this data, is that considerably more women than men believe that discovering one's *ikigai* is the most important reason for working, perhaps suggesting that for some men discovering one's *ikigai* must take second place to more the more pressing value, or serious duty, of supporting oneself and one's family.

When we link these figures to major lifestyle indicators a pattern does appear to emerge. While average family income has indeed risen in the period by 17.6 percent to Yen495,887 per month, the size of the average housing loan has risen by 55 percent over the period, the rate of unemployment has more than doubled and the number of job openings has fallen from 1.25 per person looking for work to 0.51 (Keizai Kikakuchou, 1999: 4)<sup>lxxxvii</sup>. Given these indicators one could forgive Japanese people for feeling somewhat less well-off and less secure than they did ten years ago.

### ***Career Choice***

It would seem that, in general, Japanese people strongly value and desire employment security and material comfort but that these are not the dominant objectives they once were. One of the best ways of finding out if this is indeed the case and of understanding what other work attributes and characteristics are becoming more highly desired and valued is to look at data regarding job search and job changing activity since, if a person foregoes the opportunity of lifetime employment at a single organisation and the steadily rising and secure salary that comes with it, then desires and values other than employment security and income stability must necessarily be coming in to play. For in an era where the ideologies of choice and self-determination are reaching into every niche of modern life, where average life expectancy has lengthened to around 80 years, and where identity is defined not so much by the circumstances of one's birth but the attributes one possesses at any given time, the question of what to do with one's life, and therefore how to define oneself, becomes an ever more important

and ever more difficult problem to solve.

In recent figures produced by the employment research company *Rikuruuto Risaachi*<sup>lxxxviii</sup> and reproduced in the 2000 Labour White Paper (Roudousho, 2000a)<sup>lxxxix</sup>, 64.6 percent of respondents graduating out of education in 1999, when asked whether they looked for and soon found work as a regular employee, replied that they could not and instead, even if only temporarily, became *fureeta*<sup>xc</sup>. Of those, 22.1 percent said they became *fureeta* because they could not find regular employment, 15.6 percent said that conditions at positions open to them were not to their liking, and 41.2 percent said that they did not wish to be a regular employee. Clearly, although some young people are involuntarily unemployed, a considerable number would rather be in insecure and unstable work than in a job that may be secure but is not to their liking.

In research on people's reasons for choosing their first company (Roudousho, 2000a)<sup>xcii</sup>, there appears to have been a marked shift away from security and prestige towards self-actualisation issues. The number of 20-24 year old men who chose their company for its size and name value fell in the period between 1985 and 1997 from 11.1 to 6.3 percent and the number that chose their company for its future prospects and survivability fell from 25.3 to 4.1 percent. Moreover, the number that chose their company on the basis of the work content rose from 26.7 to 32.2 percent. Interestingly, the 1997 figures include the additional answer of choosing the company on the basis of making good use of one's talents and abilities. Men scored 18.5 and women 12.9 percent on this issue. On adding these figures to the ones for work content one can see self-actualisation reasons scoring 40.7 percent for men and 52.8 percent for women.

On the issue of long-term employment at a single organisation, there is a trend towards more self-determination and flexibility, though the desire for security and continuity remains strong.

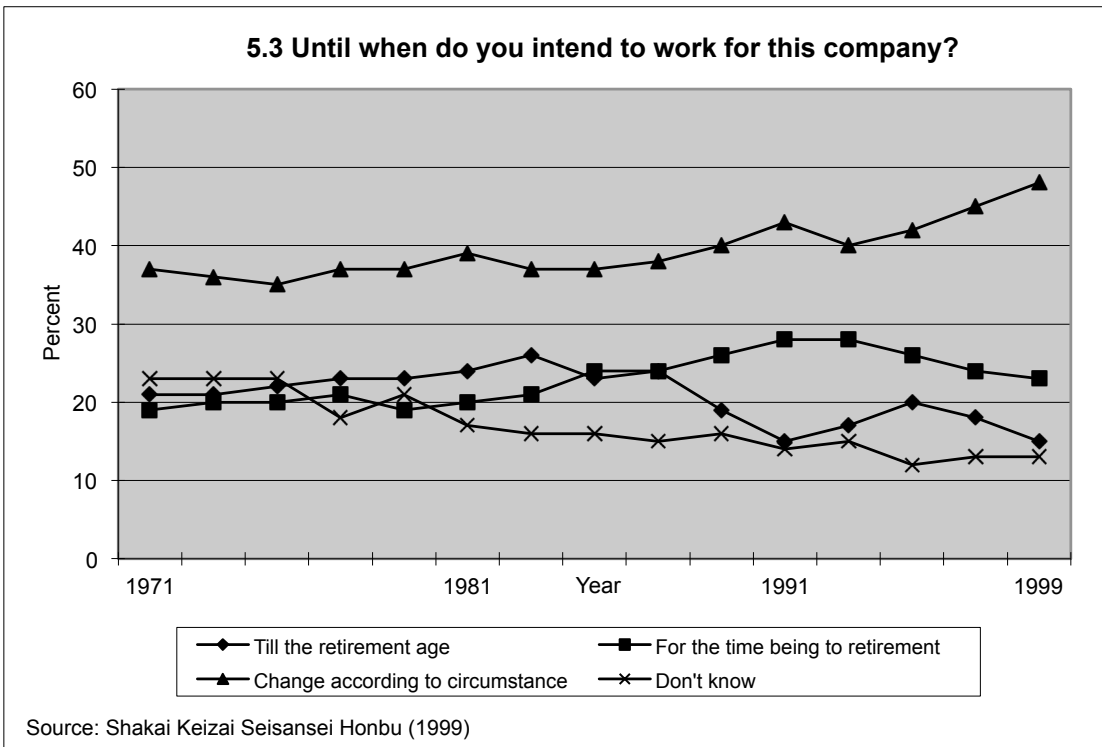


Figure 5.3 shows longitudinal data on the question of until when newly hired employees wish to remain at their company (Shakaikeizai Seisansei Honbu, 1999). While a dramatic change in sentiment is not evident, at least until the 1990s, a steady increase towards keeping one's options open is taking place and a determination to work at the company until retirement is gradually falling.

When examining the question of changing employer a clearer picture emerges.

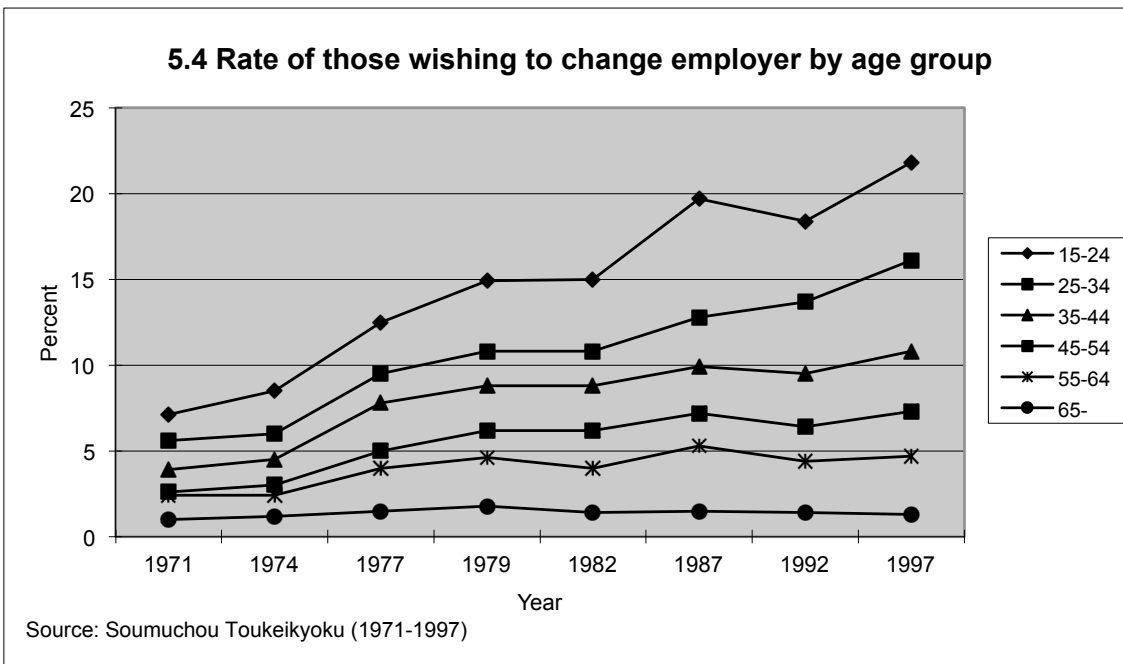


Figure 5.4 shows data from the Management and Coordination Agency's *Basic Survey on the*

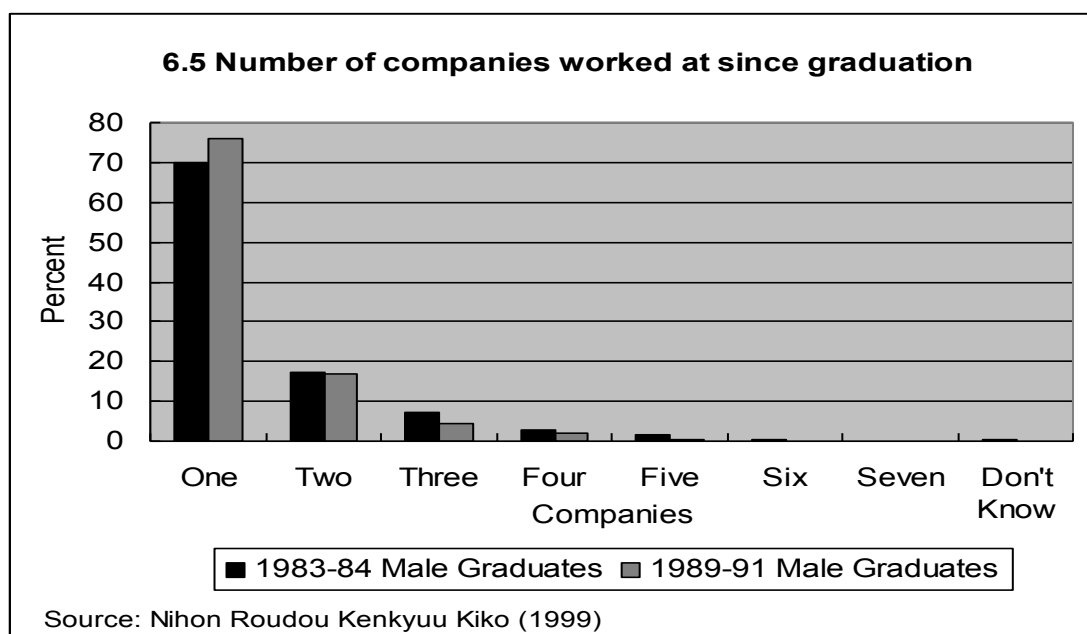
*Employment Structure* (Soumuchou Toukeikyoku, 1971-1997) on job changing consciousness by age. Although all age groups show a secular rise in wanting to change jobs, predictably, younger people showed the greatest rate of increase. Despite there being a fall between 1987 and 1992, the curve resumed its upward trend for all age groups by 1997. For the youngest group the proportion of people wishing to change employer at some time in their career rose over the 26-year period by an outstanding 307 percent. Admittedly the curve began from an extremely low initial level of only 7.1 percent in 1971, attesting to the ideological strength of lifetime employment and the extent of the desire for employment security and income stability in that era, however a change in consciousness is indeed evident.

Moreover, the number of actual changes of employer among young people in the early stages of their career is also rising. The 2000 White Paper on Labour (Roudousho, 2000a) presents data on job changing in the first three years after graduation from school or university. Fully 33.6 percent of those graduating from university in 1995 had changed employer at least once in three years since graduation. This compares to 23.7 percent of those who had graduated in 1992.

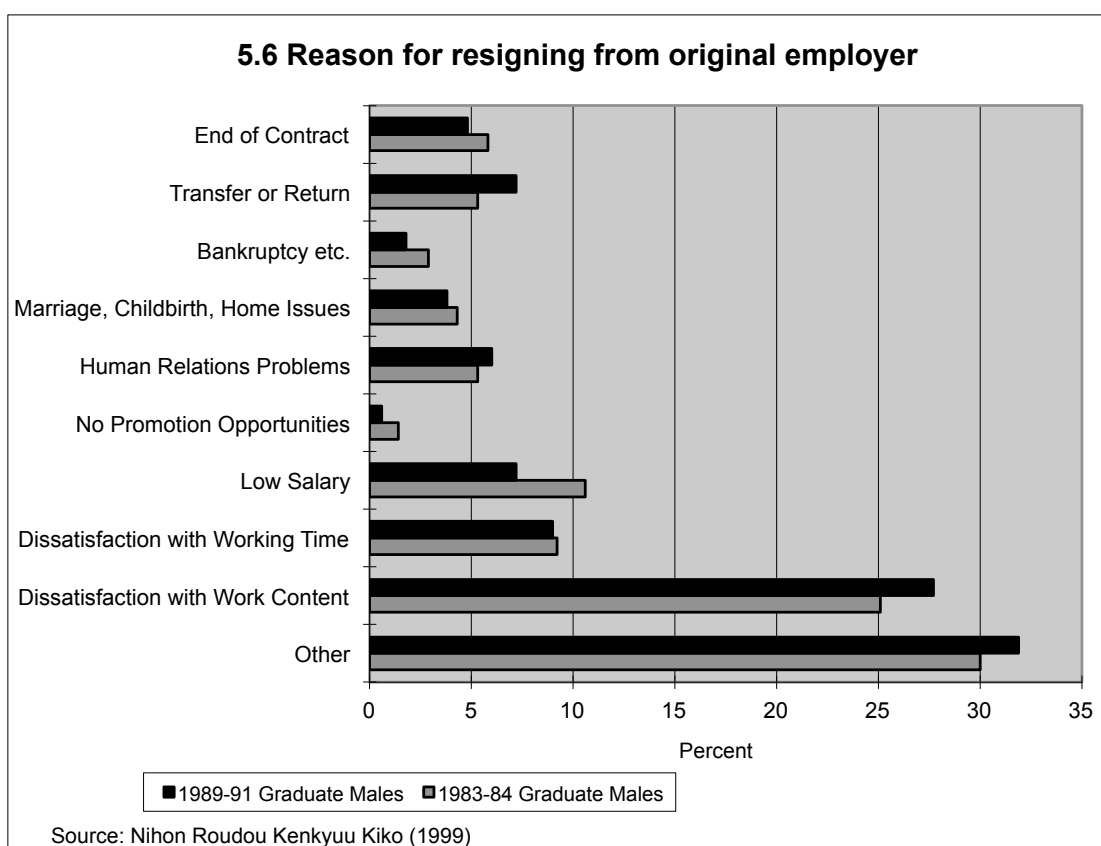
#### ***Male White-Collar University Graduates' Career Consciousness***

After looking at Japanese work values and career consciousness in general it is necessary now to focus in greater detail on research concerning the consciousness of the Japanese salaryman towards his work and the institutions of his employment.

Figure 5.5 from a survey by the Japan Institute of Labour (Nihon Roudou Kenkyuu Kiko, 1999) shows the number of organisations that responding university graduate males have worked for since graduation. It compares two groups and traces their career paths; those who graduated in the 1983-84 period and those who did so between 1989 and 1991<sup>xcii</sup>.



Confirming the institutional continuity of lifetime employment, after 15 or so years since graduation, 69.9 percent of the first group are still at their original employer while, of the second group, 76.1 percent are still with their original employer. This confirms the data produced by the Nihongata Koyou Shisutemu Kyokai (1995), which shows 81 percent of male white collar employees still at their original employer<sup>xciii</sup>. When those people who changed their employer were asked the reasons for leaving their original employer the results show, once again, increasing differentiation between respondents (figure 5.6). However, what is interesting about figure 5.6 is that the reason of dissatisfaction with the work content was by far the most important and increasing in importance, indicating a preparedness to forego security and stability in order to address self-actualisation desires.



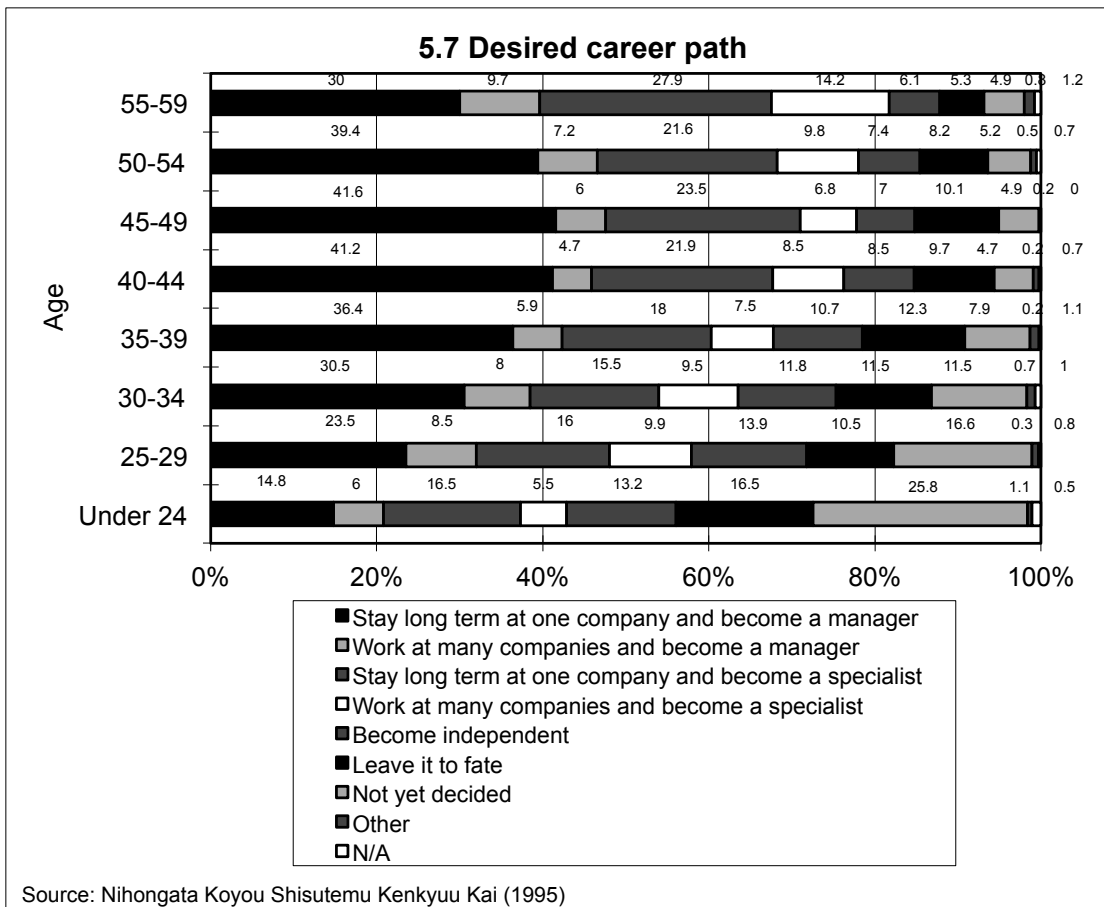
When we compare Japanese data on job changing among white-collar managerial employees with that of other countries, Japan is an interesting case. Comparing Japan with the United States and Germany, the most representative examples of the two dominant Western economic models, the proportion of Japanese managerial employees who had experienced a change of employer stood at 18.2 percent while the figure for Germany was 70.3 percent and for the USA 81.8 percent. When the age for entering the new company was taken into consideration, 48.1 percent of Japanese who had changed employer did so before they were 30 and 71.7 percent had done so before they were 40. For Germany, the figures were 33.3 percent

and 77.6 percent, and in the United States, 34.3 percent and 76.5 percent. Thus, far fewer Japanese white-collar managerial employees experience a change of employer than in other developed countries and, second, while in all three countries nearly all employer changes had taken place before the age of 40, a significantly higher proportion of Japanese had done so before the age of 30. This both confirms that changing employer among white-collar managerial employees in Japan is rising among the young and may also indicate a perception of the continuing strength of structural barriers to career change, especially in later life.

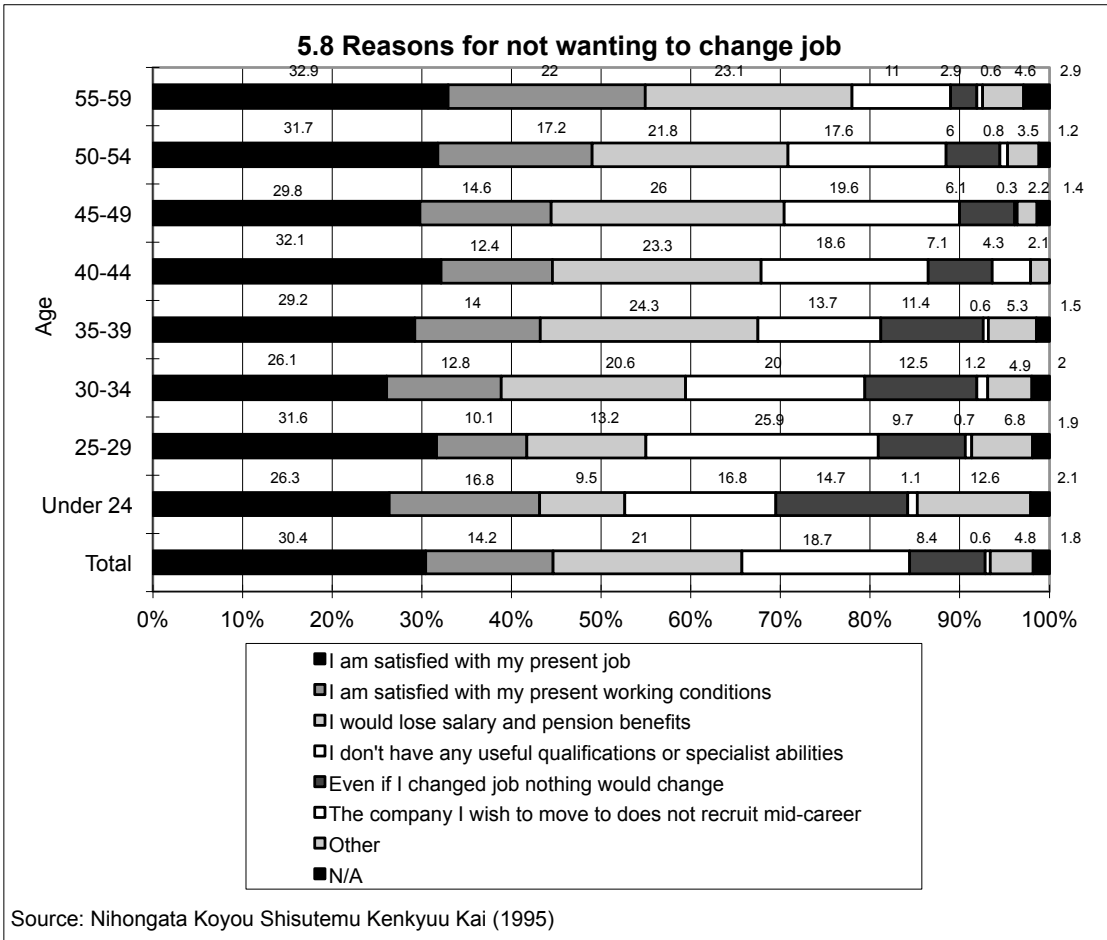
Taking data now from the Nihongata Koyou Shisutemu Kenkyuu Kai (1995) research project and examining the salaryman's attitudes towards the institutions of his employment, a picture of satisfaction emerges that is punctuated by some fears and frustrations. To repeat from the previous chapter, although the data is now approximately five years old, what distinguishes it is its size, precision, breadth, and accuracy. On the subject of satisfaction with one's work, levels appeared to be consistently high with average levels of satisfaction registering 75.4 percent of the 4,063 respondents (27.5 percent satisfied and 47.9 percent mostly satisfied) and 23.9 percent dissatisfied (4.3 percent dissatisfied and 19.6 percent mostly dissatisfied). Satisfaction levels did rise slightly with age and by size of company though this cannot conclusively be interpreted as a generational difference since dissatisfied people will presumably have a greater tendency to leave the corporation, particularly when young. However, on the subject of salary, satisfaction levels were much lower with more dissatisfied people than satisfied. 42.5 percent were satisfied (9.6 percent satisfied and 32.9 percent mostly satisfied) and 56.7 percent were dissatisfied (17.1 percent dissatisfied and 39.6 percent mostly dissatisfied). Moreover, the younger the employee the higher his dissatisfaction with financial rewards with 65.6 percent of 24-29 year olds and 66.8 percent of 30-34 year olds dissatisfied. Arranged by hoped for career path, 70.3 percent of those who wanted to become independent of the company were dissatisfied with their financial rewards. Asked about their satisfaction with the company in general, 61.1 percent said they were and 37.9 percent not.

Importantly, there appears to be a rough correlation between satisfaction with work or with wages and with the company in general with 84.4 percent of those dissatisfied with their work also expressing dissatisfaction with the company and 72.2 percent of those dissatisfied with their wages also dissatisfied with the company. Looking at the opposite scenario, 71.5 percent of those satisfied by their work and 81.6 percent of those satisfied with their salaries are also satisfied with the company. There seems to be, therefore, a relationship between both material and psychological satisfaction, and, further, between these two and satisfaction with the general work context and the organisation as an entity. What the precise nature of these relationships is the data cannot tell us but what it does suggest is that salarymen place a very high importance upon both their financial situation, or livelihood, and gaining fulfillment from the content of their work and that these issues are in a very real sense inseparable not only from each other but also have a very great impact upon an employee's overall perception of his employing organisation.

Moving from the issue of satisfaction with present conditions to that of desired career path and job changing consciousness among salarymen, although a majority of respondents in this study wished to remain at the same company till retirement, their reasons for doing so are predominantly negative in the sense that existent conditions and structures appear to be holding them back rather than being positive reasons for them to stay (figures 5.7 and 5.8). While more than half of all respondents over the age of 35 wish to remain at their company, probably until retirement, when their reasons for not wanting to change employer are considered, except for the over 55s, more than half of them do so not because they are happy with their present conditions, but because they feel that leaving would either cause their situation to get worse or moving would be too difficult.







What is also interesting is the relative lack of commitment by younger employees to long term employment and their lack of satisfaction with their jobs and, in particular, their working conditions. Further, younger employees seem to be expressing a somewhat negative approach to remaining with their employer. Such an apparent belief in the strength and rigidity of employment structures keeping young people, who one would normally expect to be the least risk averse, from realising their personal objectives does not bode well for the future of the corporate community as a viable institution in an ideological and social sense. Given these conditions, what might be the consequence to the lifetime employment system of a sustained recovery in Japan's economic growth trajectory and increasing fluidity in labour markets? Of course, these types of questions are merely speculative, but they do alert us to the possibilities inherent in the relationship between ideology, structure, and social action and can help us feel our way towards understanding how social systems are developing. However, if young people remain company rather than job or skills oriented then, even if they only possess negative reasons for remaining, it is unlikely that a viable and dynamic labour market, such as those that exist in Western countries, will emerge, since these markets function on the basis of skills and attributes being traded between employers and employees in a similar, though not identical, manner to commodities. Thus, it is important that we investigate and analyse in a qualitative sense how younger employees are coming to view their careers, jobs, and employers.

## **Qualitative Investigations**

In the light of the theoretical system that is gradually coming to take shape, it remains necessary to find out what the principal qualities of the salaryman's needs, desires, and values are and whether he feels he is able to achieve their substantive realisation within the employment system as it is presently unfolding. Moreover, in this period of intensifying global economic integration and domestic institutional reform, how is the Japanese salaryman adapting to and coping with the demands of the emerging personnel and management paradigm? Conversely, how is he directing and negotiating his life and career within the requisite demands of a continuously developing employment environment?

### ***Career Start***

Probably the most effective way of finding out about Japanese people's work consciousness is to research the issues surrounding their initial choice of employer as well as any subsequent changes that they might make. We have already seen how the work values of the post-war generation of salarymen was reflected in their career choices and the evidence above in this chapter suggests that younger people's career goals and work values appear to be becoming more differentiated and inner directed.

However, despite the broadening of the higher education system to include nearly half of each cohort of young people and the encouragement of young people by educators and parents to choose their own career according to their own desires, values, and abilities, being a regular employee at a large corporation is still the most preferred career among the graduates of Japan's most prestigious universities. Of the 1998 graduating class from Doshisha University in Kyoto, reputed to be the most prestigious private university in the Kansai region, 64.4 percent of graduates (66.1 percent of male humanities and social science graduates and 74.2 percent of engineering graduates) became regular employees of corporations with more than 1,000 employees (Doshisha University, 1999). Moreover, of the 1997 graduating class from Tokyo University, certainly the most prestigious if not the best public university in Japan and the favoured recruiting ground for the national bureaucracy, large corporations were the principal career choices for those with both undergraduate and post-graduate degrees (figure 5.9)<sup>xciiv</sup>.

**Figure 5.9. Principal Recruiters of Tokyo University Graduates (1997)**

<b>Employer</b>	<b>Grads</b>	<b>Employer</b>	<b>Post-Grads</b>
NTT (Telecomms)	34	NTT (Telecomms)	26
Tokyo-Mitsubishi Bank (Finance)	25	Toshiba (Elec. Machines)	26
NHK (Broadcasting)	24	Hitachi (Elec. Machines)	20
IBJ (Finance)	19	Fujitsu (Elec. Machines)	19
Sumitomo Bank (Finance)	18	IBM Japan (Elec. Machines)	16
Sumitomo Trading (Commerce)	17	Sony (Elec. Machines)	15
Sony (Elec. Machines)	16	Mitsubishi Heavy Industries (Transportation Machinery)	15
Tokai Bank (Finance)	16	Science Research Institute (Research)	15
Tokyo Marine (Finance)	16	Mitsui Pharmaceuticals (Pharmaceuticals)	13
Mitsubishi Corp. (Commerce)	15	NEC (Elec. Machines)	13
NTT Data Communications (Telecomms)	15	Mitsubishi Chemicals (Chemicals)	10

Figure 5.9 (Source: *Tokyo Daigaku Shimbum*, 2 June 1998: 1)

By way of comparison, Tokyo University sent just 22 graduates and post-graduates to each of the Ministry of International Trade and Industry and the Ministry of Agriculture, Forestry, and Fisheries while the Ministry of Finance itself recruited only 12 graduates in 1997<sup>xv</sup>.

While the majority of company employees interviewed for this research project expressed that neither their parents nor their teachers had coerced them into choosing a particular route other than giving either a gentle steer towards something respectable and stable or a simple encouragement to choose whatever career they would be happy with, most employees felt that there were limitations, restrictions, and obligations that weighed upon their ability to do just that. These included the question of individuals' own aptitudes and abilities, the structural limitations of the recruitment system, and individuals' own needs, desires, and values that sometimes conflicted with what they had originally set out to achieve. However, respondents rarely expressed any strong feelings of disappointment or frustration at being prevented from achieving their objectives in a pure sense, instead accepting their situations, and

even willingly and enthusiastically taking on the challenge of negotiating a successful compromise between fulfilling both the demands of their circumstances and obligations and the objectives that they had set out to realise for themselves as individuals.

From the interview extracts below we can understand a little about the varied and complex situations that individuals find themselves within when having to make their career choices and how they reconcile their accumulated experiences and present circumstances with their own developing desires and values. Importantly, throughout the interviews although employees did express some interest in the content of their work and its subject matter, the extracts below point towards the continuing strength of a company rather than specialist career orientation among white-collar salarymen. On the whole what most young men graduating from university want and have been conditioned to expect to do is, primarily, join an organisation and then use their talents and develop their interests over the long term within that context. Also interesting, however, are the differences between interviewees' systems of desires and values, how these have come to take shape, and how these are reconciled with external issues such as choice of organisational type and career direction.

Q: What were your aims at high school and at university?

At that time I had no concrete ambitions, though I wanted to join a company. Coming from a rural area, with no trains or businesses I wanted to become a salaryman ... I thought to myself that I didn't have the confidence or ability or money to start my own business. ... It was only at university that I began to think more clearly.

A normal company didn't really suit me either ... I thought that administration and planning probably suited me more so ... . In Japan, when looking for a job, one doesn't really think about the content but more the type of company, and [this company] doesn't have a large sales force.

Q: During your high school and university days, what kind of hopes did your parents and teachers have for you?

When I was at high school they had no specific hopes. When I went to university in Kobe they wanted me to return [here] and become a local government official. But I didn't want to do that because I felt that it doesn't offer much chance for self-development. But, I am the eldest son so, for my parents' sake I thought I should search for a job with [this company] in this area. ... I didn't feel a really strong obligation to return, but coincidentally I felt that [this] was a suitable company and my parents were happy too.

**Senior Staff, Company D, 32**

... At university my thoughts about my home region continued. But a public type of work was suited to me so ... . Of course, it's a publicly listed company and its private, but its a local monopoly and its public role is important.

#### **Employee, Company D, 28**

Honestly speaking, without really thinking about anything I entered the company. The only thing I thought about was that there are a lot of seniors (*sempai*) from my university kendo club here. Among those seniors there are many very good people and I wanted to work in a company where there are a lot of good seniors from university.

... also, completely different companies all have a personnel division that does the same personnel work and the general affairs division does the same general affairs work. The only difference is the product being sold and the style. So I wasn't particular.

More than the work I wanted a high salary. When I chose the company I had the impression that once you join a company you start early in the morning and finish late in the evening. So, of course, a high salary would be great .... While working I want to work hard and while playing I like to have the money to afford what I want to do.

#### **Employee, Company C, 23**

... at that time I wanted to enter university. I had a typical Japanese student's feeling. Concretely I didn't have any image of which company I would join or what kind of work I would do. There's the world of dreams and that of reality and in the world of dreams I wanted to be a novelist. But in reality I thought I might become a public servant or join a [finance] company like this one.

I went around [finance companies] and the last company I came to, this one, was the mostly highly rated and they told me they really wanted me to join so I was happy. I heard about how they are involved in large facilities in South-East Asia and so on as well as personal [finance]. So I became interested.

#### **Employee, Company C, 25**

When I was looking for a job, I was deciding on where I would be working until I was at least 50 but probably nearly 60. That's nearly 40 years of work. So it's a very important decision. I looked at various companies to see what they were like and, honestly speaking, I didn't really feel that I wanted to do a particular type of work and therefore choose a particular company. Being interviewed by the top people, I said that [this business] is about helping victims and so it is very good work and so on, but, honestly speaking, I didn't think so. So when I thought about what kind of company I should join ... I thought I would join a company that paid a good salary. My father

worked at a small downtown factory and he advised me to take a look around of course. But also he said that I should try to join a big company and not experience the difficulty that they had done. They didn't make me but, when I heard the advice I thought that it was the best. My choice wasn't from the heart ... but I didn't tell the company because I would have failed.

**Employee, Company C, 27**

Well, manufacturers make products and sell them and they also make new technologies as well as develop new sales and production processes and so on. ... [This] company was not my first choice but it is a good company.

**Employee, Company B, 24**

I like cars and I wanted to work at a car manufacturer and contribute to making cars that people like. I applied to a few but I couldn't make it. I heard that this company was recruiting and it looked interesting.

**Employee, Company B, 25**

I didn't have any particular ambitions. I mostly wanted to enter university and I thought that I could choose what I wanted to do while I was there.

... I did what I wanted but still I didn't have the talent to do what I really wanted, which was to be a comedian.

Q: Why did you choose [this company]?

At high school I liked photography and I knew a lot about cameras. So when I was looking for a job this company was interesting. ... It has a strong brand image so I thought it would be a good company.

**Employee, Company A, 30**

Well ... I only thought about the immediate future, to enter university, study, make friends and have fun. I wanted to enjoy my youth.

Q: So, why did you enter [the] Bank?

One reason was ... many of my seniors (*sempai*) from my university seminar group said they could use me. Also, the salary is high for a banker.

Q: So, you worked for two years for [the] Bank and then gave it up. Why?

One reason is ... at that time it was the bubble and bank lending was increasing and ... well, the bank's customers ... even if they did not want to borrow money we ordered them to borrow ...

If one's lending increased then in the bank's internal competition one could get a high score. I didn't like that. Also, it's a tough job. In the morning I would wake up at five, leave home at six, start working from seven am until ten or eleven pm without having lunch. And after twelve pm I finally had a small dinner, such as noodles. Those were the conditions.

I chose [this company] because banks only make money and don't make products. I wanted to help make products that benefit customers. Also ... in Japanese companies it is very difficult to take consecutive holidays. When I was a banker I didn't have a day off for a whole year. Not anything. Here I can take a week off at New Year and Golden Week.

**Employee, Company A, 28**

If we compare the above extracts with employees' recollections of their reasons for choosing their companies in chapter 3, an important contrast emerges. Above we can see considerable evidence of a received acceptance of external conditions and relationships being a constraint on and a challenge to people's decisions and behaviours and we can also see a strong desire on the part of some to take on and conform to certain externally ascribed duties and expectations. However, what is quite different is the element of a more refined inner-directed reflexivity. While the above respondents often willingly adjusted to existent conditions and circumstances they also demonstrate a much deeper level of reflection regarding and understanding of their own situation, the possibilities open to them, and the relationship between their desires and values, the decisions they make, and their responsibility for the courses of action which they embark upon. Much more evident than previously is the element of a considered choice from a number of varied possibilities with quite different outcomes. This choice is considered in the sense that, although most employees as students may have simply enjoyed what is often called the moratorium between the serious business of high school and company life, when the time came nearly all of them made decisions on the basis, not so much of joining a company because that is the done thing or it is the only option available to them, but because it is the most preferable alternative given what they perceived about external and structural conditions and the particular circumstances of their own limitations, closest relationships, and the desire to realise at least some aspect of their personal needs, desires, and values. Some of those choices and the reasons for them may not seem particularly inspiring or described very articulately and, moreover, they are choices that are made, sometimes reluctantly, within certain perceived institutional and organisational constraints. However, employees do display a greater propensity than previously to make decisions based upon an autonomous and reflexive consideration of circumstances rather than the somewhat unthinking acceptance of received assumptions about

future career prospects of the older respondents.

There is, in addition, a difference between the generations in that very few younger employees made mention of seeking employment as a salaryman in order to escape from difficult material circumstances. Some employees did say that their parents had suffered in their youth and that they had responded to their parents advice and fears in their choice of a career characterised by security and stability, but none expressed that they themselves had had to endure such circumstances and had sought long term employment at a single organisation for that reason. Contrary to those employees in their fifties, most younger men replied that they had had a comfortable childhood and youth and that they had had no direct experience of material scarcity.

In addition, if we compare the above responses by those in their 20s and early 30s, with those in their mid to late 30s below we can see a clearer qualitative difference between company types and between the two younger generations. In making their career decisions, although each person had a unique set of personal circumstances to work through, most employees of Company D were attracted by the opportunity to work at a company in the public interest and many were also intent on fulfilling family responsibilities that they had taken on for themselves, particularly where vulnerable parents were concerned. Those employees from Company C were, for the most part, attracted by the financial rewards that the company offered and were also, to a lesser extent, attracted by the opportunity to achieve something useful and valuable by assisting potential customers in solving their lifestyle problems. Finally, the employees of Company A and B seemed to be most interested in participating in developing and manufacturing tangible goods that could in some measure enhance customers' demands and compete successfully in product markets. Further, those in their 20s and early 30s, that is to say those that joined in the very late stages of the bubble economy or after its collapse, showed a stronger desire to satisfy what some might call frivolous selfish desires but what might more accurately be described as more individual, personal, though perhaps more limited desires and values. To be fair, the younger Company D employees still expressed a desire to fulfill a social purpose or take on familial duties, though these were somewhat more muted than those of their elders. However, those employees in their mid to late thirties, as the extracts below will show, appear to occupy a middle ground between the corporatist and ascriptive leanings of those in their 40s and 50s and the greater self-absorption of the younger employees. Many expressed the desire to fulfill personal priorities and pleasures but also wished to do so within the constraints of the existing institutional system.

In high school we learn about the peaceful constitution as an ideal. In the newspapers I learnt about how reality is different. Because of that I wanted to become a public prosecutor. So ... when I entered university I entered the law department.

... But, mid-way through ... I thought that, if a public prosecutor's whole life is immersed in law, then it would be quite boring, so I decided to aim for something a



little more open, and anyway I failed the exams to become public prosecutor, so I applied to join [this company]. Now I think I chose interesting work.

Q: Why did you choose [this company]?

... at that time it was the bubble economy, so the atmosphere was really idiotic. At that time if you were to look for work in Tokyo it would have been impossible to buy a home as a male company worker. Buying a house would take up the majority of your lifetime. I really didn't want that kind of a life. ... and as a child we moved around a lot ... I didn't want to make my children live like that. So, I put greater importance on my family's lifestyle than on my own work.

Q: Did you think the work at [this company] would be interesting?

Yes, ... everyone normally spends some time in sales when they join. But from when I joined in the first year of Heisei [1989] to Heisei 8 [1996] I worked in the Legal Affairs Division in Court related work. So I was really motivated, because I had originally wanted to be a public prosecutor. It was interesting. Now, in sales I am also motivated because without [our product] the public could not live properly and I am thankful to be doing this work.

**Senior Employee, Company D, 34**

I wanted to be a doctor but I soon realised I cannot bear the sight of blood. ... I joined the science stream, but soon after I witnessed a traffic accident where, due to reckless driving, two senior high school girls were killed instantly in a terrible accident. I saw blood pouring out of the two bodies. At that time I thought I couldn't become a doctor and ... my father, because of his family circumstances, couldn't go on to university, but he had wanted to be a lawyer. Even now he studies law diligently and I think I should respect him. I thought at that time that if I studied the law I could be a public prosecutor or a policeman or a lawyer. ...

Q: Why did you choose [this company]?

My father worked at NTT all his life. It was a public corporation but is now a private company. I too, naturally, thought about working for a utility. Other companies I wanted to enter were Japan Railways. ... But I couldn't carry it out. Well, a [utility] company ... I am, in fact, the eldest son, so I wanted to work not so far away from [this] area and my parents. So I chose [this company].

Q: Is that the most important reason?

The most important reason was to work for a utility. I wanted to do important regional work ... in a regional “living company”, and be close to my family.

**Assistant Manager, Company D, 38**

I graduated from the engineering department of Tokyo University. The department concentrates on architecture and civil engineering but I feel I don't really have the design talent. So, for reasons of money I looked for a job that would support me. What I like to do is to support myself and buildings and so on through working for a financial institution. Even if I can't do engineering directly I can still do similar work and so I joined this company.

... I wanted to do that and support myself and my family. Now I am doing that work in this company and I think I am extremely lucky.

**Deputy Manager, Company C, 38**

Q: So, why did you choose [this company]?

Um .... I was not a good candidate. I had no ambition and I had no idea and I had no philosophy or strategy in choosing a company. So in this sense I was an innocent or ignorant university student. One reason is [this] industry is regarded as a paradise. Meaning no hard work, a very sophisticated business, and filled with young ladies! But, most important, this industry has a high salary level. It's a very pragmatic reason. That is the true reason. But, of course, these two reasons were not exposed or disclosed to the interviewer when I tried to join this company. It is an open public secret for many candidates.

Q: So, is lifetime employment important to you?

Yes, ... well, I should say that I worked in the London office of this company for seven years and I think it is probably correct to say that the weight of the company life for me is higher than for Western peoples. Every day I come to this office at nine and work here till late. Sunday is the only day of the week when I can take time for my family. So in this sense the company has a very high weight in my life. And in future as well, ... until retirement there will be 21 years of work at the company. For ten years of that I will be in a very significant or important post in this company. So, for at least ten years of that I will be expected to spend most of my days and most of my energy on our company business.

**Manager, Company C, 38**

I think this was common to most Japanese at that time but, I wasn't really clear about what I wanted to do. My household runs a family business and my father's work is really hard. As an individual that really affected me and so I thought I'd rather be a company employee. But I didn't think or study for any particular occupation ... I wondered more about what company I would enter and not about what I would do once I entered.

Q: So the reason why you entered the company was for security?

Yes, economic security. I didn't want to be in a situation when I don't know when the money is going to come in.

Q: So, why did you choose [this company]?

Well, ... I thought I would try and join a manufacturer and I didn't really care which one. ... I didn't want to work in sales but I wanted to use my abilities in administration and supporting the making of products. I thought that I was especially good at systematic thinking and so I wanted to work in administration ... administering as well as directing the company. I wanted to be a member of the management staff of a manufacturer. I wanted to work in a very big company. I knew that very clearly.

**Senior Employee, Company B, 35**

At high school, I thought about university and whether I would enter the science or humanities stream. I then decided to study economics. It is said that if you study economics or law at university in Japan then you can get a good job afterwards. Beyond that I didn't really think about anything else apart from entering university.

At university I, first, wanted to work in finance and then, after that, I thought that being a public official might be good. I didn't think at that time I would be working in the accounts department of a large company but I was most interested in doing office work. When I visited companies I began to think that a manufacturer might be more interesting.

Q: Why?

Well ... making and selling things ... making things and so on ... I haven't really thought about it deeply but I felt that would be good. I like working here for that reason.

**Assistant Manager, Company A, 34**

### ***Lifetime Employment at a Single Corporation***

One other issue to come out of the interview data is that employees expressed mixed messages concerning the contrast between choosing a company and choosing an occupation. Most employees seemed to choose their company because the company's business as a whole and its social role coincides with their system of values and what they want to do in terms of work content. Many showed that the choice of a company or an occupation is a double-sided problem and is as much a predicament to be solved as it is a liberating opportunity. Many engineers and technicians were able to express, within a still largely company oriented pattern of thinking, an orientation towards a particular occupation but those that graduated from university with a generalist degree such as in law or economics and who expected to go into white collar administrative work at a corporation were, like their elders, oriented towards being a member of a company organisation first and working in a particular field was subordinate to that end if not completely absent.

Lifetime employment at a single organisation appears to give people a much desired comfort and security from the problem of not knowing clearly what career to choose. The issue of work content is important to some, but is more often than not contained within and subordinate to the more important issue of which company or type of organisation to join and this gives people a secure middle ground between the polar extremes of discovering a calling or, failing that, having to wander aimlessly through life desperately searching for something to make their lives meaningful.

Turning now to the related issue of lifetime employment we must now ask the questions; what expectations do young people today have towards the implicit lifetime employment contract? What role does lifetime employment play within the system of desires and values and the work consciousness of men working in today's large corporations?

Naturally I joined with the intention of working until retirement. I was secure in the knowledge I could do that ... recently I have come to doubt that I will be able to do that. Maybe I will be fired at fifty or something. My motivation has dropped a little.

Q: Are you doing anything about it?

Well, I have done accounts since joining and I am a specialist, not a generalist. I have a skill and so ... of course I don't think the company will go bust. But, I feel I should improve my skills for anything unexpected in the future.

**Assistant Manager, Company A, 34**

Q: When you joined did you want to stay until the retirement age?

Yes. Especially since there is no feeling of this company being weak or about to collapse.

Q: Is that important to you?

Until now it hasn't been important to me. It's not everything.

Q: What about the work content?

Well, it's not a game but when I think of something and it is realised I feel the sense of happiness similar to that of winning a game. It's not just this work either, but lots of things.

Q: Anything else?

Future insecurity. At age thirty I have to wonder if I want to do another job and if I can do another job ... As well the company's condition. What if it went bust? I'd have to do something else.

Q: Do you have any fears that the company will go under?

Basically I do. I think it will be around for the next five years ... but ten years or twenty years in the future? I don't know if the company will be here with me in it when I am sixty ... thirty years from now. I have no idea and so I think its a little dangerous.

Q: When you entered the company did you worry about that?

No.

Q: So, thirty years from now you feel the company may go bust. Are you doing anything about it?

I think I must do something but I'm not doing anything. I could do the real estate dealer qualifications or something but I couldn't say, become a lawyer or a doctor or anything like that.

**Employee, Company A, 30**

For myself, I don't have the feeling that I will stay at this company for the rest of my

life and so, if I change my job then I will need strength and ability and I will have to develop it objectively for the future so that if a chance comes along then ...

... In this company what will happen probably is that I will be posted to various offices and then return to the head office and then be promoted. It is quite a narrow career and if I look at the present system then I might want to change at some time in the future.

Q: To what?

Well, something to do with computers or media. Not just a hardware or software maker but one that does both. Computer makers ... are very flexible and fast moving companies and I think they are really impressive. ... I'd like to go to a company where I can have more control over my future.

**Employee, Company B, 24**

I feel that our generation doesn't think all the way to their retirement age. At university too a professor said that this age is not one where people will join a company and stay till their retirement. When I entered the company I felt that quite strongly about the place.

Also, when I look at my seniors and their wives and children I look at the image of my own future. The wives say that their husbands are always at work. I wonder if I could be happy taking that road ... I don't feel the company will make me leave but ...

Q: So, do you think seriously about your future a lot?

Yes. Recently ... at first I had the image that it would be natural to work here till the retirement age and then retire but, I felt very enclosed and recently I have seriously thought that when it got tough would I really work through it? But, I have a strong desire to do a proper job and not to be a bother to others ... when I think about that I don't think of leaving.

**Employee, Company C, 25**

Q: When you joined did you want to stay until the retirement age?

No. There's a retirement allowance and a pension system so, that's a reason to stay but, if mid-way, in order to improve your talents you have to move then that's what you should do, I think.

**Employee, Company C, 28**

Basically I haven't changed. As much as I can I'd like to stay here. Nowadays, it is easy to change so I honestly don't know what will happen but ...

... My way of thinking is the old-fashioned Japanese way of thinking, I think. ... That kind of consciousness, if I look around me, is not really there, I think. But, it's not completely absent. There are lots of people like me too, those who join a company once and don't quit. But those that want to stay a long time are in the minority, I think. That's the feeling I get. As far as those I have spoken to around me, those that want to stay a long time or work here through to the end are few in number I think. That's my feeling.

**Employee, Company C, 28**

Q: When you joined did you want to stay until the retirement age?

Well, looking from the outside I didn't really know what kind of work was involved. Before knowing that I couldn't really make that kind of a decision, but basically I thought I'd be here until the end.

Q: Was that one of your hopes for joining the company?

Yes, sort of. But first was whether the work gave me a sense of satisfaction. Until now the company has given me that sense of satisfaction, I think. More than a feeling a security, well I definitely have a sense of security, but if I had work that wasn't satisfying I couldn't continue it.

**Assistant Manager, Company D, 32**

Q: When you joined did you want to stay until the retirement age?

No. If I have a chance I'd like to work somewhere else. I have a strong desire to leave Japan and work overseas for some time.

Q: What would you like to do?

I haven't any definite ideas and media related work would be difficult so I think I'd like to give hotels a try. I don't want to work for this company all my life.

Q: Are you thinking seriously about this?

Yes. I am thinking seriously about it. My university friends are different ... they want

lifetime employment at one company. That way of thinking is strong. The friends I have from elementary school in America are different, they are more like me.

Q: So your experience in America was very influential?

Yes, very much, I think. ... It gave me the freedom to do what I want.

**Employee, Company D, 26**

Q: When you joined did you want to stay until the retirement age?

Yes, when I entered I had no intention of leaving. Before I entered the company I didn't really know what I would be doing. When I was placed in the regional sales office, I had no idea before that I would be posted there. But, contrary to my expectations, after I started, I found it was great fun. I was able to speak to various customers ... Of course, change is fun and interesting isn't it?

Q: You were married recently, weren't you? Your way of thinking, has it changed?

It has changed a little. When I was single, speaking honestly, I thought it would be OK to leave the company if I wanted. Of course, after marriage those thoughts changed. But still there's just the two of us so, if I were to leave it wouldn't be a disaster. However, if we have children I'd really have to think hard about it wouldn't I?

**Employee, Company D, 26**

It seems, therefore, that most employees originally joined their companies in the expectation that they would work there until the fixed retirement age, however, in the short period of time since the late 1980s the expectation of being able to work at the same company for the whole of one's working life has undergone a profound revision. Nearly all the responses above suggested that they either did not expect to be able to take advantage of lifetime employment or for one reason or another might not wish to do so. However, as one of the statements warns us, the gap between what people say they wish to do or even will do and what they actually do is often substantial. For example, all of the employees in the above group had joined their employer immediately upon graduation from university and, although they expressed what they did, all were at their first employer. Moreover, as another states, people may change their opinions, feelings, desires, and values through the course of their lives and, in addition, their circumstances may change such that desires become redundant or more difficult to achieve than previously.

On the whole employees expressed a basic satisfaction with the structure and attributes of the lifetime employment system in that it provides them with security and a feeling of



belonging, opportunities for personal growth and development, and even for some opportunities for a genuine feeling of self-actualisation and deep enjoyment in work. The above extracts confirm that the issues of security and self-actualisation may sometimes be in conflict but are not mutually contradictory and might even be mutually sustaining. Moreover, where they are in conflict employees seemed to express the possibility that they would be prepared to forego the former for the latter and where they are not in conflict, or where the employee doesn't value self-actualisation too highly, lifetime employment at a single organisation is an attractive career choice. The attractiveness of lifetime employment must also be considered from the perspective that employees do not ever remain long in one position, thus being required to do work that is progressively more complex and more challenging. The following extracts attest to the variety of ways in which the lifetime employment system provides the institutional context for the realisation of employees' desires and values.

Q: Has your career up to now been ideal?

Ideal ... well ... I don't know. For example, ... soon after I entered ... I said that I really didn't want to go into land administration as I imagined it would all be dirty and complicated administrative work. Then, ... I was sent to [a Regional] Office. ... It's an extremely small, remote, rural place. I had written that I really didn't want to be sent there or do [that work]. So when I received my written appointment it said [that work] at [that] office. I was shocked. It was what I most didn't want to do. But I didn't know anything about it so ... once I went there to see for myself, it was completely different. [That work at that office] has been the most interesting experience I have had. I'm that kind of person. In Japan there's the expression *kuwazugirai* meaning disliking a certain food before having tried it and then trying it and liking it. So, I had that kind of experience.

Q: So, more or less ideal.

Well, looking back, I think every workplace I have been to has been very interesting.

**Director, Company D, 56**

Q: Is lifetime employment a good thing, do you think?

It is secure. For example if you get married and have children you can feel OK about it. There's less fear of unemployment here than at other companies. I think the security aspect has its merits.

Q: Any disadvantages?

There's not much drama!

**Assistant Manager, Company D, 40**

Q: Has your career up to now been ideal?

Mmm ... well ... If you can say ideal then it is ideal. Working in legal affairs was work that I like and being fortunate to be sent to [a British] university to study, and now in sales, it is the work that I requested when I entered the company, so I am thankful that it has been ideal.

Q: What kind of influence did your time [in Britain] have?

Very much. It made me recognise once more the importance of quality of life. Japanese company men normally place their company and work ahead of their families but, being sent to Britain for a year while young, it taught us both how to have fun in our lives. Of course on my return I had to do overtime, but definitely, it changed my way of thinking. Its really idiotic to only work and not have fun.

**Employee, Company D, 34**

Q: Has your career up to now been ideal?

For me, as I said before, my personal life is important. It is very uncommon among Japanese businessmen, but, for me my family comes first. When I graduated I accidentally found [this company] and then I found my wife. My wife worked [here] too. So, I found my wife and then had children and earned a salary to pay for my wife and children. I had various good chances and promotions too. And so I am happy at the company. Even if there are various problems at the company it is basically a good and fair company and so, therefore, so far I am happy.

**General Manager, Company C, 48**

Q: So when you joined the company you expected to stay with the company until you retired and you were happy about that?

Yes. That was common sense for most students at that time. So I have many friends from my university days. We have a party every six months, and every time eight or ten people come and have dinner and drinks, no-one yet has changed his job. I don't know if they are happy or unhappy, but for me its great and I love to do the work at [this company]. I don't have any plans to change company.

Q: Do you feel that the future of the company is in a sense your own future too?

Yes.

Q: So you want to work for the company to help the company progress and as a result you will also progress with it. That is generally your feeling.

Yes, that's my goal.

**Group Leader, Company B, 45**

Q: Did you want to go overseas, then?

Yes that too. I didn't want to live there forever but I wanted to learn about it. I thought at that time and now that there is no option but to change the way of working in Japan and so I thought I would like to work at least once overseas and learn about it first hand. After that I would be able to help change the way of working in Japan and in the company. Three or five years would be OK ... I just wanted to do it once. So when I found that I could do it here I was extremely happy.

Q: Are you helping to change the way of working in Japan now?

Well ... I hope so. I am working at the union now and I can have some influence, I think. That makes me happy.

**Employee, Company B Labour Union, 30**

Q: So, what makes you satisfied?

I have two things. One is to do what I want to do. In my case that is to do what I am interested in ... management or business administration. I want to increase my knowledge to have a high ability in that ... if I can. One more thing is ... in Japan ... the corporation has a high performance level by international standards but ... employees' salaries are not high compared to Europe and North America. So, I would like to increase my salary. So I want to do what I want to do and increase my salary. Put those together and that is my definition of satisfaction.

Q: Within those two things, are you satisfied?

Well, yes, I think. I am working hard at what I want to do and I believe I am

performing well and doing a good job. I am enjoying it too. If you work hard and perform well then because you are motivated and so on, the enjoyment and the money follow. So yes, I am satisfied.

**Employee, Company A, 28**

However, as the following extracts show, there is a feeling among many employees that the institutionalised structure and attributes of lifetime employment, although they are undergoing some modification and adjustment towards a more economically rational and fluid system, are a hindrance or a barrier to some in their efforts to achieve a realisation of their desires and values.

Q: Are you satisfied with the lifetime employment system?

Well, basically I am half satisfied. The other half says it is old-fashioned. I would like the 1950s system to disappear. Well ... if you compare with foreign companies there is still seniority promotion and so on but ... compared to before it is collapsing little by little. I would like it to collapse still further.

Q: Why?

There are various values now. For example, as I said before, if you want to do a certain job it is still difficult to progress and so on. I would like more choice in guiding my own career. Also, the salary, compared to before is not rising like it did during the bubble. I would like it to rise more now. The annual salary system would be a good thing. ... I would like the working environment to be improved too. But I think the most important thing now is the seniority promotion system.

Q: What about lifetime employment?

Nowadays things are changing a lot but the lifetime employment system should be retained, I think. It gives people a feeling of security. It gives people the security to work harder and take a few risks with their work and not with their lives.

**Deputy Manager, Company A, 47**

Q: Are you satisfied with the lifetime employment system?

Well ... lifetime employment is still to be expected at Japanese companies but if you look at the global standard then it is just Japan, I think, that has lifetime employment. I don't think those conditions will continue. I don't know about our company either. In

fact, for me I don't think lifetime employment is a wonderful thing. That is to say, the company doesn't have a tendency to change. Of course, I have to work for a living and I am married and at this time my family has become more important to me than the company. So I want to spend more time with my family and the way of always working that the lifetime employment system encourages is not suited to that kind of lifestyle.

Socially too the lifetime employment system has various harmful effects, I think. Now the economy is weak and some of my relatives are searching for work ... they can't get work in the areas that they would like to. One of the causes of that is Japanese companies' placing importance on lifetime employment and the excess of older workers in companies. That's not the whole reason but it is one reason. So from now the number of people looking for work will increase but companies are keeping their older workers and older practices ... companies are not looking forward to the future. ... Of course the problem requires the country to provide adequate welfare for older people so that they can feel confident about leaving work. So, I'd like to see a radical reform of the whole system.

Q: So, about personnel movement, whose career do you think your career is? Is it your career or the company's?

So far my experience has been that it is not mine. I have been given experience by the company and so I don't think it is completely mine.

Q: Who decides personnel movement?

You put forward your hopes but, you are a single member of a large organisation and so your superiors and the personnel department make the final judgment. In the end it is often not according to your hopes but ...

**Employee, Company A, 30**

Q: Are you satisfied with the lifetime employment system?

... Do you understand the seniority system? In that, those who have been at the company a long time are highly evaluated, speaking in extreme cases, even if they can't do the work at all. So long as they are here, they are ranked, or evaluated highly. Even if they do nothing. That's, to begin with, a bit strange and so an ability-based system is better, where even if you are young, if you can do the work then you are evaluated highly. Until now, even if you do good work, better than those who have been here ten years, and you've been here five, then they are evaluated higher than

you. That was the system. Now, they intend to change it. You should be evaluated properly and just because you have been here a long time you may not be evaluated highly.

But, to abolish the seniority system completely would be strange, I think. Those that have been here a long time and can't do anything ... to just suddenly say "good-bye" or "we don't need you any more" would not be right. The company is thinking of changing to that kind of environment. So, those young people who are good will quickly rise up and the company looks at those outside the company who are good and hires them. That would be easy to do, but if that culture was introduced it wouldn't be a problem in terms of the present employment system but if it became like that in future then if one were here a long time one would never feel secure. That's frightening and so there's the worry of the employment system changing, isn't there?

**Employee, Company C, 28**

Q: Has your career up till now been ideal?

Speaking for myself, with my personality and style of work, if I had been made to do one type of work it might have benefited me and the company but, ... on the contrary, unfortunately, my career in the company has not been that kind of a journey. In fact, I was never posted to a position that I could definitely do, only indirectly so. For example now I am in [this department] and it's my first time here.

Q: So you worked a long time in work that you didn't have much interest in?

More than that, there was work that I wanted to continue with but I was always being moved around.

Q: Did you ever think of doing anything about that?

What, to leave the company or something?

Q: You simply persevered?

This happened to me directly many times, and I tried not to think about doing something else. If I had thought about it then my motivation in the job I was doing at the time would have decreased, I thought.

Mostly Japanese companies are like this; First you get experience in something and then you get posted to a department like, for example, [this one], and then you are there throughout. There are few people that, like me, have gone here,

there and everywhere.

**General Manager, Company D, 48**

Q: Has your career up to now been ideal?

Basically, the work I have done is not the work that I had hoped and asked for. I asked to be moved but I haven't been.

Also, I am not learning any special skills. There are no special skills needed for this type of work. So, as far as that is concerned I feel that my career is not really developing.

**Employee, Company D, 30**

The last extract above returns us nicely to the notion of self-actualisation and Csikszentmihaly's idea of flow. While the above statements reveal to us the very real joys, satisfactions, frustrations, and disappointments that employees encounter, and endure, during the course of their working lives, they do not tell us much about whether they are experiencing deep fulfillment and enjoyment in the content of their work. Moreover, these responses do not tell us much either about whether company life is conforming to their hopes and expectations. The following extracts explore these issues in more depth.

For me it is my sense of fulfillment, I think. In my work and private life it is my sense of satisfaction. If that disappears then I will feel I have failed in my life.

Q: Concretely what do you mean?

Enjoying my work and private life. Giving something to society and giving to my family.

Q: Do you feel satisfied now?

Yes. Maybe you would call me a company man because I stay here till late at night but I enjoy it. The work is very interesting and I can become absorbed in it.

**Manager, Company D, 41**

If I had to choose then I would have a reasonable lifestyle and be able to realise my thoughts through my work. To some extent I can do that. I can say it is half and half. My salary is quite good and my work is quite interesting ... I have a lot of responsibility and so on ... but neither are one hundred percent.

**General Manager, Company D, 50**

I thought a feeling of security was important, and of course it is comfortable here. But it is also boring and so a more adventurous feeling, if possible, would be a good thing for me. I wanted a feeling of security but, I also wanted to do certain things that I am not able to achieve.

Q: Like what?

I wanted to achieve something in my work. I wanted to enjoy it too but it has been boring recently ... I used to work in engineering and that was very stimulating but I have been doing the same office work for some time now and I cannot develop my abilities in this job.

**Manager, Company D, 47**

We white collar workers are now the blue collar workers. We must work to a manual and we cannot differ from the bureaucratic rules ... we are not allowed to use our abilities. In Japan the manager's most important task is to hedge risk and not to take it. This means lots of meetings and shared responsibility which becomes another form of employment security.

... our job has lost much of its meaning now ... we cannot take decisions and enjoy the adventure of working in a dynamic company.

**Manager, Company C, 38 (Informal Interview)**

When I look at the faces of the men working I want to ask them, "Are you enjoying your life and your work? Are you happy?" They look so tired and worn out, and they work like robots. Unceasingly.

**Female Clerical Worker, Company C, Late 20s (Informal Interview)**

We don't have an idea of the "American Dream" in Japan. It is much better for us to live like everyone else [*hito nami ni kurasu*] and not to be so unusual. If you are unusual you will not be able to be a part of the group and that means your life in the company will be uncomfortable. More than enjoying your work it is more important to cooperate with others and work together for the company. If you can do that and enjoy it then you can get self-actualisation working for a Japanese company, I think.

Q: Can [you] do it?

Yes. I think so. Maybe you should ask my colleagues about whether I can. I feel



satisfaction that we can produce good products together.

**Manager, Company D, 40**

If I write a book or something that would be self-actualisation I think. Then I would feel like I have succeeded. But for a company worker like me, these things don't have a big meaning. They mean something small ... if one has done something, however small.

Q: Have you done anything?

Well ... that's difficult. I think I have. I hope I will.

... Sometimes when I pass by a shop and I see our products on sale and people are buying them ... or I see someone using one of our products I feel proud that I am part of the company that produces things for people to use and enjoy. When I am working and I think of that I can feel a sense of self-actualisation, I think.

**Employee, Company A, 30**

When I was single I didn't think about the purpose of my work or why I was doing it ... I don't think that it is only to raise a family but the effect has been that for me I do it to raise my family. In terms of my *ikigai*, I do it to step up in life but the reason I do that is for my family. I can raise my family through my work and that gives me a sense of self-actualisation, but my work itself ... well sometimes I can get that feeling ... but not every day.

**Employee, Company A, 28**

## **Between Two Modernities**

David Plath's (1983 and 1989) sensitive discussion and analysis of the employment and life consciousness of Japanese people is interesting because, rare among researchers of Japanese society, he uses life-course analysis to ask the important question of whether self-realisation is a situational response to external conditions and the public discourse of social life or whether it is an internally generated autonomous unfolding of the self. Clearly quantitative survey data alone cannot inform us about this issue. For the results of such research efforts often tell us more about the standpoint and objectives of the researcher rather than those of the researched. More importantly, in an effort to discover how individuals feel, think, and behave these approaches, regardless of the substantive nature of people's previous experiences and present circumstances, can lead to a shutting out of the richly textured contexts and understandings that constitute people's lives as they are lived<sup>xvii</sup>. Consequently and all too often, they fail to alert us to the multiple and layered understandings that people possess regarding the complex nexus between self, family, institution, and society that unavoidably must inform the route that an individual

follows from needs, desires, and values through to decisions and, thence, actions.

Plath theorised that Japanese society has very recently encountered a series of radical shocks to the received common understanding of the life-cycle, the most important of these being mass and extreme longevity and the introduction and development of modern capitalism. In other words, people are having to learn to cope with and adjust to the demands of a very long life in a society that has hitherto relied on custom, social relationships, and inter-subjective understandings for expressing and substantiating its values and are having to reconcile this in concert with a high-technology economy and the rhythms of production and consumption that are contained therein. He describes the Japanese self that unfolds through the resolution of this drama thus.

My image is of a person steering himself along a path (arc), his actions shaped by those around him (circle), as he strives to realize an idea of wholeness (sphere).

Plath (1989: 70)

As Plath perceptively notes, the life-course approach places an emphasis on the self as the agent of its own development and is, by its very nature therefore, a critique of the conventional view of a subsumed and context dependent Japaneseness. Borrowing from Julius Roth's (1963) groundbreaking research, in Plath's description timing is essential to self-realisation in the Japanese context. The interaction of and balance between inter-dependent people's timetables is essential to the realisation of the self-conscious and self-directed individual's life, career goals, and values. Hence the idea of arc, circle, and sphere. He concludes with a, once more, sensitive and perceptive contrast between a particle model of human development dominant in the West that places the lone individual at the centre of a universe composed of competing and colliding individuals and the Japanese view where the locus of personal development and realisation is not solely in atomised, autonomous, and self-interested individuals but in the circle of human relationships, ideologies, and material circumstances within which each individual is actively and willingly, yet also unavoidably, enmeshed. Importantly, also, as a consequence of Plath's method of research and analysis, he criticises the structuralist interpretations of Japanese social life as being inadequate to describing the way an individual in Japan is not so much compromising his own self-actualisation by accepting and acting upon the claims of others but may well indeed be increasing the range and quality of the self and its realisation through combining the realisation of his own objectives and values with a socialised moderation and enhancement of his individual singularity.

As the responses presented above demonstrate, undoubtedly Japanese employees, on the whole, possess a deep appreciation of their roles and obligations within the complex web of relationships that constitute their lives. Moreover, most are also acutely concerned about fulfilling these roles and relationships, not so much out of a reluctant sense of duty, but because

these aspects of their lives are valued for their potential to enhance social life in an integrated and synergistic manner. That is to say, for many Japanese the total outcome for the individual and the rest of society that accrues from the fulfillment of social obligations transcends by a factor of many times the personal consequences that might also result from the limitations and restrictions placed in their way by external exigency. Japanese employees, both young and old, understand this idea implicitly and completely and thus individual self-realisation, in the Western sense of flow, or “optimal experience”, has hitherto not been an important part of the Japanese value system. Flow, for Japanese company employees, includes, perhaps even is dominated by, inter-personal relations within a collective singularity<sup>xcvii</sup> because Japanese people cultivate these and value them in an ethical or moral sense. For many Japanese company employees, self-realisation is impossible without the relational dimension<sup>xcviii</sup>. While the individual experience of flow outside of the relational context is undoubtedly something that many employees seek, and may be disappointed if they do not achieve it, it is part of their system of needs and desires and not valued in the moral sense that flow within the relational context is valued. Thus, lifetime membership of the corporate community, although it may not result in the most individually fulfilling life, and may be somewhat of a disappointment if that is the case, is valued primarily for the relational synergies and opportunities that are unleashed by such a system.

Nevertheless the demands of modern capitalism are complex, powerful, internally contradictory, and thus inherently unstable. Hyper-development, modern consumer culture, the discourse of individual self-actualisation that penetrates our consciousness through the subliminal suggestiveness of the media and advertising industries to which we have all become subject, and the globalisation of liberal democratic market capitalism are undermining the integrity of the Japanese self and its compatibility with the post-war system of bureaucratic organisation. Economic globalisation is eroding the fortress of the Japanese corporation and enforcing the establishment of a flexible global standard for employment and management systems. In addition, the Japanese system of needs, desires, and values is beginning to undergo a transformation towards something that more closely resembles the Western achievement of individual self-actualisation as a moral requirement in its own right. Japanese management is initiating, once more, a reluctant retreat from the post-war system into a compromise with the new global and social reality, but it remains to be seen if a mere compromise instead of a complete capitulation is indeed possible.

What is becoming clear is that the social solution that the Japanese salaryman originally accepted and which Csikszentmihaly describes as a possible, but ultimately unstable, route into self-actualisation is unravelling in response to the economic and social developments that have been unfolding since the 1980s and perhaps, even, the 1970s. A new consciousness is emerging in Japan and it represents a fundamental break with the past. It is the slow and gradual appearance of an autonomous liminal reflexive consciousness that seeks to construct a new institutional structure that gives time, space, and opportunity for an individual reflexive project

of the self. We have not yet witnessed the full extent of the consequences that this development entails. But the days of institutionalised lifetime employment at a single organisation as a centripetal force holding together the system of employment at large Japanese corporations and which dominated the entire employment and organisational horizon in post-war Japan appear to be numbered for this reason as well as others. Moreover, management itself is partly responsible for this unfolding as it seeks to fabricate a new modern consciousness of individual responsibility and motivation among employees as well as institute a more flexible and, consequently, more insecure employment structure.

The interview extracts above do not present us with a particularly inspiring or uplifting picture of personal achievement or happiness. Japanese company men for the most part are, at present, coping with trying to live out their lives as dutiful salarymen and family members as well as meeting the demands of the new modernity. It appears they have yet to find their own feet and seize control of their own lives. Instead most continue to suffer the consequences living on the edge of both rigidity and stability on the one hand and flexibility and insecurity on the other. No doubt many salarymen dutifully proffered a modest front to me the researcher, as is demanded by Japanese behavioural aesthetics, but more than that, although most were possessed of a keen and intelligent reflexive individualistic rationalism and understood the emerging and developing context of their working lives, they have so far found difficulty in converting this into social action. Instead they appear to exist in a social-psychological no man's land between the somewhat ponderous, pedestrian, and closed transitional modernity of the post-war corporation and a dynamic open-ended global hybrid modernity that is beginning to take shape around and within them.



# Chapter 6

## Conclusion

### Dreaming of Modernity

It is lawful to desire temporal blessings, not putting them in the first place, as though setting up our rest in them, but regarding them as aids to blessedness, inasmuch as they support our corporal life and serve as instruments for acts of virtue.

St. Thomas Aquinas, *Summa Theologica*

Given the theoretical discussions and empirical data presented thus far, can Japan justifiably be referred to as a modern society? More concretely, what are the salient characteristics of contemporary Japanese modernity and how do these compare with elsewhere? Finally, what can an understanding of the Japanese experience tell us about capitalist modernity as a hybridising and a globalising social-economic condition?

In chapter three I proposed that Japan's emergence into modernity has been an extended transition period between the pre-modern ascriptive and ideologically static Tokugawa Settlement and a new form of modernity that is now in the process of formation around the world and that I have described here as a global hybrid modernity. This period of transition can be divided into two secondary or dependent phases, with the Second World War as their divide. That is to say, the first phase was a purposive technological project initiated by Japan's new Meiji elites and was primarily predicated by Japan's peculiar circumstances as a late-comer to both modernity and industrial capitalism. Notwithstanding the issue of whether the Western powers had possessed the intention to colonise Japan, its initial confrontation with the West had provoked a defensive urge to secure national survival and strengthening through purposive material development.

When the internal contradictions inherent in the pre-war radical combination of spiritual mysticism and technological rationalism were resolved by military defeat in 1945 (Kitagawa, 1990), the Japanese people were presented with another opportunity, albeit this time more democratic, to construct anew. The material destruction and deprivation that they faced prompted a renewed call for the sacrifice of the individual to the immediate needs of the total collective as the elites of the Japanese political-economy sought first national reconstruction and then international recognition and parity through economic development. As in the pre-war period traditional ideologies were manipulated for these purposes and, in addition, put to use in

developing a strategy for satisfying the immediate needs of the collective for security and stability, or equality of outcome, in order that the national polity would support and contribute to the new set of directions that had been mapped out for it. Thus, the dominant value system of post-war Japan has been an egalitarianism that was born out of the near starvation conditions of the immediate post-war years, a rejection of militarism and mysticism, and a desire to construct a new society and polity based around the ideology of democratic materialism.

Within both the nation and the corporation the political and economic elites were able to battle and then negotiate their way through to accepting this solution with the masses because, for different reasons, it was congruent with both of their ideologies. In other words, the political and economic elites accepted it because it conformed to their developmentalist agenda for achieving international recognition and economic strength and parity, and the masses, represented primarily by the newly legalised labour unions, were willing to accept it because they succeeded in achieving their aim of a materially comfortable and stable life for all.

Thus, the ideology of the corporation as a fictive traditional and interdependent community was reflexively constructed by management and imposed from above for modern and rational economic ends but it was received and then reconstructed, because of the nature of its content and the results it promised, into a normative social condition and ideology that became something more than what Giddens might describe as “justified” or “sham tradition”. The semi-ascriptive ideologies of welfare corporatism, lifetime employment, and seniority-based pay and promotion became so deeply entrenched in Japanese social and political life that, post-hoc rationalisations to the contrary notwithstanding, they became the normative foundation of and justification for economic behaviour. Both a modern reflexive and pre-modern ascriptive ideology had become inseparable and indistinguishable from each other and, in this sense therefore, we can talk about a transitional modernity existing in post-war Japan. Furthermore, because the post-war system of institutional arrangements had provided the conditions within which the needs, desires, values, and expectations of both sides of the labour-management divide were satisfied by this solution we can also talk about there existing a prolonged state of organic compatibility in the socio-economy of the Japanese corporation between the attributes of the management system and its economic and social environment.

By the 1970s and 1980s this state of affairs had come under considerable strain as the Japanese economy reached the limits of its high speed developmentalist growth trajectory, international developments intruded more forcefully into the domestic arena, and consumption and lifestyle patterns began to change as the effects of mass-longevity, urbanisation, and affluence made themselves felt. Moreover, various negative feedback effects symptomatic of hyper-development also began to appear on the horizon in the form of, for example, environmental disasters, political scandals, and, finally, unsustainable asset-price inflation.

It was in this period that corporations were able to perpetuate the basic institutional arrangements of what had by then become known as Japanese-style management. Simultaneously they undertook a series of adjustments or rationalisations designed to introduce

a more responsive and flexible production system that served both to maintain and even increase its global competitiveness yet also gradually and almost imperceptibly attenuate its, for want of a better term, Japaneseness. Thus, we can refer to this period as a contrived compatibility between the fundamental attributes of the management system and the environment within which it was able to continue to prosper, albeit at a slightly slower rate of economic growth.

After having attained a brief period of national self-confidence during the 1980s when the learn from Japan movement in the West was in its ascendancy, Japan's business elites appear to have slipped back into a renewed defensive posture in response to the intensification of economic competition unleashed both by the rapid globalisation of market capitalism and the continuing effects of the collapse of the asset inflation induced 'Bubble Economy'. Chapter four describes how Japanese corporations are responding to this new set of institutional and environmental realities. In a structural sense Japanese management is rationalising still further its employment systems and introducing still greater numerical and functional flexibility through the diversification of employment styles and their dependent attributes. Moreover, rationalisation is also being applied to the remnants of the seniority-based pay and promotion system in an effort to bolster efficiency through the intensification of internal competition and the opening out and specialisation of career channels. However, it is also important to understand that attenuation and rationalisation do not mean the collapse and disappearance of the entire lifetime employment system. Thus, very long term employment at a single corporation still remains a real career possibility for many regular employees at large corporations and pay and promotion systems still bear a resemblance to seniority based systems even if they are not formally described as such by personnel managers.

Perhaps in preparation for more radical measures to come, alongside these structural developments management is attempting to construct the corporate culture anew with the inclusion of a new spirit of individual responsibility. The aim of which is to make employees individually responsible for their own skills and abilities and successes and failures as well as their own career trajectories. While ostensibly couched in the language of openness, fairness, and accountability, the new culture is an attempt to have employees re-orient their selves and their behaviours into being commensurate with the newly emerging global hybrid modernity. Albeit defensively motivated, this is in actuality an external imposition resulting from the apparent capitulation by management to the perceived irresistibility of the globalisation of institutional structures and cultural and social forms around a rapidly hybridising Anglo-American liberal democratic market capitalism. For the real meaning of flexibility for the corporation, as defined by management, is now insecurity and instability for the employee.

This is, in effect, a reactive, defensive, and manipulative fabrication of the internal consciousness of modernity. For while management concedes to employees their right to determine themselves in this new flexible age of the globalised individual it also sends out the totalitarian message that the new consciousness is only really acceptable if it is in the interests



of the corporation; that is to say management and shareholders.

Chapter five depicts the response of the salaryman to this emerging institutional reality. It paints a somewhat contradictory picture of a class of men who appear to inhabit a zone somewhere between the rigid yet secure and comfortable certainties of the past and an indeterminate fluidity of the future that is characterised both by opportunity and adventure and by insecurity and instability. Both outcomes appear to be at one and the same time equally attractive and unattractive. Consequently I have a picture in my mind at this time of a group of men shuffling slowly, reluctantly, and cautiously across a bridge that simultaneously joins and divides two distinct worlds. Occasionally glancing longingly behind in the fading hope of experiencing once more the clarity and comfort of what they are leaving behind before it finally fades from view, they are compelled and compel themselves to proceed into a world possessed of uncertainty and struggle but tinged with enough opportunity for success and fulfillment for the more energetic and optimistic among them to lead the more skeptical and fearful tentatively on to the other side.

Finally, and returning to the quotation at the beginning of chapter three that is taken from James Abegglen's first book and which provides the frame of reference for this dissertation's interpretation of the Japanese lifetime employment system, he says:

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. He is a member of the company in a way resembling that in which persons are members of families, fraternal organizations, and other intimate and personal groups in the United States.

Abegglen (1958: 11)

It has become abundantly clear, not only from this dissertation, but from numerous writings elsewhere, that the three principal statements of the above quotation are now either plain inaccurate, or have become at least heavily attenuated, when applied to the contemporary Japanese corporation and the salaryman that works within it. First, a sizeable proportion of employees do not commit themselves on entry to working at the company for the remainder of their working careers. Second, the lifetime employment principle is not offered to employees "at whatever level of the organization". And, most importantly, third, the employee's "intimate" and "fraternal" membership of the organisation is certainly no longer what it once was. Clearly something fundamental has changed in the Japanese corporation and the consciousness of the salaryman since Abegglen published those words back in 1958.

## **Work in Capitalist Modernity**

Modernity requires modernisation for its achievement and modernisation is the reflexive and

pro-active intervention in and transformation of the external material and institutional environment that fulfills the purpose of achieving modernity. But modernisation does not end once modernity has been set in place because that would be an internal contradiction, which modern rationalism cannot tolerate. For crucial to modernity is the presupposition that, given the correct tools and a suitable environment, the potential for all individuals to achieve their hopes and expectations from living in society is almost limitless. If the tools for achieving this are not correct then they should be replaced or new ones developed and if the environment is not suitable then it should be changed and made to be so. Further, because modernisation has become virtually synonymous with purposive improvement, being modern also constitutes being up-to-date with the most advanced material conditions and institutional practices. Therefore, progress through modernisation becomes not only continuously and invariably achievable but, because it is also indissolubly linked to the possibility of improving the conditions of human life, it becomes a moral and philosophical condition to be brought about and, once achieved, continuously maintained through the reflexive and strategic implementation of material expansion, technological improvement, institutional innovation, and personal development.

In these circumstances work and the institutional environment in which it is performed become both practically and morally decisive to modern life, how it impacts upon our lives, what we can do to make our lives better, and how we attempt to fashion our authentic inner consciousness into concrete reality. For work is where strategic engagement with and transformation of the external world are most readily and most rationally achievable. Correspondingly, work becomes the predominant site for attempts to experience authentic individual self-actualisation precisely because it is at work where, to use the language of Karl Marx once more, the possibilities for objectifying our subjectivity and, thus, attaining our self-realisation, are most clearly and consistently apparent, accessible, and attainable. Accordingly, the reflexive consciousness of work as a constructive and transformative activity has become so crucially important in modernity that it even expands out from the locus of its performance, and its language and demeanour increasingly come to pervade other aspects of our lives such that, for example, we work at our relationships, strive to perform better at or experience more in our leisure activities, and put ourselves through physically strenuous 'work-outs' in order to improve and transform our physiques.

In ideal conditions, then, work ceases to be performed reluctantly as an arduous and burdensome necessity, or duty, for securing and maintaining the basic conditions for living for oneself, one's family, and perhaps also one's village, neighbourhood, or organisational community and becomes, therefore, the principal nexus between our imagined and idealised future and its self-conscious realisation in the liminal substantivity of the present. However, it is now not so much motivated by the dictates of religiously inspired custom or the search for an otherworldly mystical calling or role but by an external secular moral compulsion to improve the conditions and circumstances of life for oneself and for others as well as an internal secular

moral compulsion to bring the self into substantive reality through the constructive and creative expression and development of one's inner qualities. It is these two interdependent processes that are joined together by the activity of work and are why work lies at the heart of the modern condition.

Consequently, in contrast to the enclosed and ascribed life-cycle of the generations so characteristic of pre-modern periods, modernisation and modernity for the individual are essentially the opening out of the human experience into a limitless and unbounded progressive linear trajectory in time, or life-span. This change in our experience of time is of monumental importance because it relates to, first, our perceived ability to determine and construct the circumstances of our lives and, second, our understanding of the basic composition of society and our place within it. The result is that modernisation and modernity also individualise and differentiate their participants. For without ascription as a frame of reference for living in relation to each other, each person is compelled to chart his or her own path through life and, moreover, this comes laden with the modernist's moral baggage of unbounded progress.

Individuation takes the form of thrusting on to each and every one of us the personal responsibility for both how our lives take shape as well as for the consequences that transpire as a result of our actions and behaviours. We must not only self-consciously construct our own individual lives because our lives are no longer mapped out for us but we also have a moral duty to work to improve upon what preceded us in whatever capacity we have chosen to occupy. Anything less may invite the unwelcome accusations of complacency or failure. Moreover, once we recognise that each person is a unique individual who encounters a unique set of environmental circumstances, with the removal of ascription and fate and their replacement by self-construction and risk, people will necessarily become differentiated from each other as they take personal responsibility for forging their own paths through life. As modernity broadens, deepens, and intensifies, therefore, so long as the basic material and institutional conditions necessary for living have been secured, in other words equality of outcome, society becomes increasingly conditioned and predicated by the principle of removing the material and institutional barriers to psychological and emotional fulfillment for the purpose of ensuring equality of opportunity; the logical consequences of which, of course, are institutional flexibility and differentiation of outcome.

In the broadest sense, active intervention in and transformation of the external world for the purpose of achieving the material and institutional environment that is most appropriate for the realisation of our needs, desires, and values presupposes the presence in each person of an individualised and internally regulated capacity for a detached reflexive analysis of existent external circumstances, a belief in the possibility of effecting changes to them through pro-active strategic engagement, and a vision of what the future might be like once strategic change has been successfully implemented. In other words, the modern condition requires us to have simultaneously three interdependent capabilities and ideologies. The first is the cognitive capacity for individual detachment, reflexivity, and prediction. The second is a confidence in the

efficacy of purposive social action, and the third is a moral orientation that seeks not to preserve the past but to manipulate, or even eradicate, it for the purpose of bringing an imagined and idealised future backwards into the present.

In addition, if the individual is to construct a forward biography, at the base of this moral and cognitive strategy of mental mapping is, first, an ability to generate from within oneself a vision of an ideal life that is authentic to one's own perceived personality and attributes, second, a belief that the vision is rationally contiguous and consistent with one's own personally defined and unfolding life story, third, the conviction that these visions are realisable in practice, and, fourth, the self-confidence to enact them through strategic engagement with the external world. Notwithstanding, inter-subjective negotiation and learning are integral and indispensable to this process but, for the ideology of modernity to become a reflexive consciousness, the individual must believe completely that the vision is an authentic projection or representation of the inner self and not borrowed from or imposed by the outside.

This is not to say that reflexivity and active engagement with the external environment were entirely absent in pre-modern eras. The difference between the pre-modern and the modern lies not in an absolute absence or presence of a reflexive pattern of thought and pro-active engagement with the outside world for the purpose of enacting change but whether it has become a generalised condition in such a way that nearly all people feel not only that they are able to control and direct the pattern of their own lives but that, even if they do not feel like they are in control, they are, perversely, compelled to be so both in a moral and a practical sense. In this way, and speaking ideally, modernisation and modernity can be understood as the process of the practical implementation of and achievement in mass society of the ideology of secular humanism.

Put another way, the ideology of modernity presents itself in direct contradistinction to the ancien regime. Indeed the very expression for that era suggests that its time has past and a new more progressive and uplifting age has come into being. Modernity, thus, is intended as an ongoing liberation of the individual from the restrictions, deprivations, and structured inequalities of the past. By the successful resolution through work of the conflict between our ideals and the concrete reality that we face, modernity is intended as the achievement of the material and institutional conditions whereby all people, whatever their origins, might have the opportunity to manifest their authentic selves as individuals in society through the substantive realisation of their potentials and ambitions.

But for this to happen, individuals must be capable of understanding themselves at a deep and complex level, society must arrange an open and flexible institutional environment whereby people might be able to gain that inner awareness through education and experiments in living, and, once this has been gained, society must provide the circumstances whereby people may be able to live out their inner selves. To be achieved as a permanent state this requires a dynamic set of institutional arrangements that can flexibly adjust to the demands placed upon it by an ever more differentiating and developing population. Again, modernity sets

itself off against the past. For the culture of tradition, as it is oriented to the past, tends towards stasis, simplicity, and order. However, modernity, as it is geared to bringing the future backwards into the present, tends towards dynamism, complexity, and differentiation.

Therefore, what is distinctive about modernity is, first, its difference from the traditional order, second, its orientation towards change rather than continuity, and third, is its idealism and its inclusiveness. In its ideal manifestation modernity is for all as of fundamental right and not merely for the few who by dint of power or wealth are able to avail themselves of its possibilities. For the idealism of modernity is that no one be excluded from reaping the rewards accrued to humanity by the release from servitude that was heralded by the slow collapse and then rapid disintegration of the ancien regime which enlightenment and revolution brought about.

Besides, if no-one else is going to tell us as individuals who we are, why we are here, and what we are supposed to do with our time then, to avoid sliding into a self-destructive void of personal meaninglessness, we simply must start to define our own identities and construct our own lives. And here we discover one of the paradoxes of modern life. In the cause of setting us free from the tyranny of servitude to others' representations of ourselves, modernity individualises the consciousness and imposes a new, more subtle, tyranny on those who do not know what they want to do or who they want to be. For every person for whom modernity is experienced as the freedom to enact one's own life plans there will be others who feel that having to develop one's own authentic recipe for success and fulfillment is a frightening burden that they would rather do without. Instead of accepting what fate serves up to us in the form of the circumstances and events that form our lives from the outside-in, we must learn to manage the risk that comes from being condemned by liberty to living our lives inside-out.

Even more troubling, perhaps, is modernity's potential for hopelessness. For if we combine the ideologies of modernisation and modernity with the practical institutional arrangements of market capitalism the result is an apparently unrelenting competitive struggle to achieve and maintain a state of material and institutional ascendancy. In order to continue to function capitalism requires expansion and it therefore sets people off against each other in competition to penetrate, infiltrate, and colonise progressively wider and deeper realms of the human experience. The effect of setting people off against each other in ever widening and deepening competition is that, although the responsibility for failure to achieve one's hopes and expectations is now the individual's, the possibility of being able to live out one's dreams increasingly runs the risk of being hindered by the material and institutional obstacles set in place by those who possess the power and wealth to colonise the life chances and life-space of others. Thus, while in a strict sense capitalist modernity is not a zero sum scenario, in order that every competition might have its winners there must necessarily also be losers. Thus, we have the prospect of having to bear the unique pain of discovering that modernity has set us free to write our own biographies while knowing that the practical circumstances of life and work in capitalism makes its complete achievement difficult at best. That is to say, it is becoming

increasingly evident that, under capitalism, the probability of the ideal state of modernity being realised for all in actual experience is so remote, we risk condemning ourselves to a permanent state of chasing the unobtainable.

Moreover, in order that one can be victor rather than vanquished in this battle for supremacy it is necessary to acquire and put into practice a preponderance of technological and material interests in combination with the most effective and advanced system of institutional arrangements that can be developed. Consequently, modernisation and capitalism together also facilitate material and institutional convergence and hybridisation, or what is sometimes rather euphemistically referred to as globalisation. For the easiest and least costly route to advancement, and thus to avoid falling prey to the tendency in capitalism for the strong to expand into the territory of the weak, is to search out the most advanced and effective technologies and practices wherever they may be and attempt to graft them onto what already exists at home or, even, to replace one's own system entirely with a copy of that which is being done elsewhere. Under these circumstances the expansion of competition in market capitalism tends to lead both to the self-contradictory temptation for all to rely on others' leadership and creativity and, more significantly, an unleashing of the potentially damaging effects of unrestrained competition through liberalisation and marketisation. Either way the result is mediocrity and insecurity. In other words, the power of capital and its inherent tendency to expand thus has a tendency to influence institutions to innovate in such a way that they have the potential to arrange themselves to the detriment of the individuals living and working within them, and eventually, of course, to the detriment of the institutions themselves.

Further, and referring back to earlier discussions, when we combine the dictates of work and life in modernity with the material and psychological rhythms of production and consumption that are inherent to the successful operation of market capitalism we can see how work, modernity, and capitalism begin to penetrate into the core of the self such that the cultural logic of rationalism, economism, and humanism at best either marginalise religion to a peripheral role as a foundation of motivation and behaviour or even come to supplant religion altogether and become the basis of culture in capitalist modernity. Work ceases to be, therefore, a calling or a duty or a role to be fulfilled or a custom to be repeated, but becomes, instead, a circular process of the consumption of the experience of producing and reproducing the self in the quest for its own actualisation. The cultural logic of the consumption of human experience has, thus, come to replace religion in its role of providing the moral basis for and sanctification of behaviour in society. Religion, as the moral and ideological basis for the production, reproduction, and transmission of belief, tradition, and custom, and of the fulfillment of duties, roles, and callings, in other words as the basis of culture, does not disappear. However, it is thus marginalised to its present status as a quaint ideological museum piece to be used for the beautification, though not sanctification, of what have become essentially secular activities justified only by the rational, economic, and humanistic reflexivity of capitalist modernity.

Moreover, and as this dissertation shows, the competitive pressures that arise from the

globalisation of market capitalism in modernity are such that even secular humanism as an ethical basis for social action is struggling to be heard above the noise of the rhythmic engine of modern rationalism and economism. For the process of hyper-development appears also to be instilling a change in the dynamic of self-actualisation itself such that the desires for self-determination and self-definition are being subverted, or short-circuited, and are becoming subordinate to the superficial requirements and concerns of capitalist production and its corollary, consumption.

## **Modernity and Capitalism in Japan**

If we take modern to mean up-to-date in an applied technical sense then in many respects Japan is modern or is certainly more modern than most other societies. But if we take modern to mean the realisation of the idealism of modernity then the answer is not quite so clearly and easily derived. Yes, the structured finality of the ancien regime has been overthrown and yes, a liminal, reflexive, and individualised modern consciousness is indeed in the process of formation. However, set against the strict criteria of the ideal state, has any society achieved modernity? Or are we not all caught, therefore, within the permanent war of competitive attrition that is modernisation for modernisation's sake?

In Japan's case modernisation and modernity have for the greater part of the period since the Meiji Restoration possessed quite a different meaning, intention, and dynamic from those of the European or American examples. Japan's modernisation has been, at least until very recently, circumscribed and limited to being a Developmental Project. That is to say, it has been an effort in material development for the purposes of, first, resisting domination from without and, later, achieving material prosperity and strength and, finally, parity with the so-called advanced nations of the world.

And here lies the critical difference between Japan, Europe, and the United States. European modernisation was born out of a gradual and progressive individuation of the consciousness while Japanese modernisation was brought into being rapidly through the suppression of individualism for collective ends. In Europe it was a cultural and intellectual revolution that sought to tear down the rotten edifice of the ancien regime such that all people might one-day manifest their true nature in society as fulfilled self-constituting subjects. Material and institutional change developed out of and was a substantive expression of this transformation in the European consciousness. The United States, on the other hand, was a modern project from the very start. It was born out of a desire to escape the ancien regime by starting anew and realising in concrete reality the ideals of the early modern settlers. In this sense, therefore, America has never been anything but modern. Once more, material and institutional development and change took place from within and was an expression of the dynamics of this cultural system.

Japan's modernisation has always been an altogether more practical and immediate affair and has possessed little of the hopeful idealism of its European or American counterparts.

For Japan's project was a collective effort and was an organised and purposeful modernisation of the material and institutional environment, not because Japan's elites wished to make these consistent with any newly emerging modern consciousness but because they, on the whole, wished to preserve what they could of the pre-modern consciousness. Of course the spirit itself was manipulated and redefined by Japan's elites to achieve their desired material and political objectives but in the above sense, Japan's experiments with the reflexive construction of modernity have more often than not been a conservative and backward looking retreat into materialism. Although out of this milieu there indeed appeared some important figures, they were not so much philosophers and intellectuals as engineers and producers of material consumables. Which is not to say that their achievements were any the less worthy; just that their contribution to Japan's modernity in a spiritual sense was not anything like that of the great thinkers of the Enlightenment and beyond in Europe and America.

To be sure, modern Japan has had its share of inspiring intellectuals; Fukuzawa Yukichi, Nakai Shoichi, and Maruyama Masao to name but three. However, the unified determination of the collective will ensured that their voices were conspicuous for precisely the opposite reason that men such as Jean-Jacques Rousseau, Thomas Jefferson, John Stuart Mill, and Karl Marx had been so influential in Europe and America. By way of example of this dichotomy between Western and Japanese modernity, as Karl Marx observed, the real or ideal purpose of labour in Western modernity has been for the ultimate liberation and self-realisation of the individual. In Japan, however, it has been for precisely the opposite objective. Labour in Japan has been a suppression of the individual in favour of achieving material security and stability for the total collective. Set against these circumstances, Japan's modernity never was going to be outstandingly inspirational or uplifting.

Nevertheless, it is also true, as the empirical evidence in this dissertation shows, that Japan's workers were able to find a prolonged but temporary resolution to the contradiction between tradition and modernity and this has been through a realisation of the self in the fictive socio-economic community that is the post-war Japanese corporation. Japan's route into modernity may have taken a different path to Europe and America due to its different circumstances, but this does not mean that Japanese society has not achieved at least some measure of modernity. It now appears, however, that this was a transitional phase in the cultural consciousness between the pre-modern world of the Tokugawa settlement and a global hybrid modernity that is taking shape around us now; a transition that was conditioned by the peculiar nature of Japan's relationship with the West and then its response to the developments that unfolded as a result of that relationship.

And this brings us to another theoretical issue and that is the possibility that modernity can now be divided into two phases, one national, corporatist, ponderous, and rigid and the other global, individualistic, nimble, and fluid, and that these can be separated by a change in the institutional environment brought about by the globalisation of economic competition (Bauman, 2000 and Beck, 2000). At first glance this dissertation might point to complete



agreement with Bauman's and Beck's thesis, but on closer inspection there are some dissimilarities and these are derived from the fact that Japan participated in the first phase as a reluctant latecomer and came out of an entirely different cultural milieu. What this dissertation suggests is that Japan may indeed be entering into what Bauman refers to as "Liquid Modernity" or what Beck calls "The Risk Regime" or what I have called here a global hybrid modernity. However, the point of entry into modernity that Japan took was entirely different from that of Western Europe and the USA and this conditioned an entirely different passage through the stages of industrial and technological development and the achievement of material well-being that may appear to have been similar in its rigidity but is different as to its nature. The result of this difference is revealed in the 20th century resolution of the relationship between the individual and the institutional arrangements of the political economy.

What this dissertation proposes is that, at an individual level, the culture of individual reflexivity that is now beginning to take a hold on the Japanese consciousness is a product of economic development rather than a cause of it. Thus, although Japan and the societies of the West appear to be headed together into a new era of globalisation, because, speaking from a European perspective, Japan entered the scene backwards, it faces consequences that are altogether different from elsewhere in the modern world. That is to say, unlike in the West where modernisation and modernity began with an individualisation of the subject, Japanese society is now having to get to grips with the consequences of a collectivisation of the individual. For what is now being proposed is a complete reversal from being a culture based on the principle of equality of outcome to one based on equality of opportunity. The meaning of this is that individuals may in future no longer be able to depend on the collective for sustenance in return for an abandonment of individuality. Instead, individuality as a compulsory right, with all its attendant responsibilities of self-determination and self-construction, is being thrust upon a somewhat unwilling population by a mechanism that ceaselessly and ineluctably expands into every crevice of social life while simultaneously undermining the values that have until recently given Japanese society support and contiguity but are now beginning to show their age and inappropriateness for the new era of global hybrid individualism that is itself a consequence of the expansion of capitalist modernity.

At an institutional level, therefore the end result appears to be that Japan and the countries of the West are converging into a hybrid version of the Anglo-American system of institutional arrangements as each country feels compelled to ratchet-up and intensify its competitive environment in order not to be outdone by the others. However, what the globalisation of market capitalism does, through the expansion of economic competition and its penetration into and colonisation of social life, is to impoverish the human spirit. The consequence is not the outward expansion into individual complexity and differentiation that modernity promises but a capitulation to the regimented mediocrity of narcissistic hyper-consumption. For the only way that capital is able to continue to satisfy the insatiable desire for what it calls an "adequate return on investment" is for everyone to become

progressively more enslaved by the repetitive and ultimately self-destructive cycle of consuming the experience of working to produce to consume.

## **Dreaming of Modernity**

One of the most enduring memories I shall have of living in Japan is my gradual awakening to how great a conceit is the fabrication that is global capitalist modernity. The following example is a case in point and is used here as a metaphor for the emerging global hybrid modernity that this dissertation attempts to describe.

In 2000 Toyota Motor Corporation began a new media campaign. Their commercials almost invariably feature an idyllic drive-scape with a beautiful couple, a handsome man at the wheel with his adoring wife at his side, driving smoothly along a rural vista complete with lake, forest, moor, and, of course, no other vehicle in sight. Commercials for smaller vehicles feature pretty young twenty-somethings in bizarre Snow White dreamscapes or bombing around trendy European cities complete with romantic roadside cafes and beautiful ancient buildings. The commercials always end with the same slogan: “Drive Your Dreams!”

These advertisements represent nothing less than a violation of the internal consciousness of modernity. For almost nowhere in Japan is one likely to encounter driving conditions such as these, particularly those with absolutely no sign of traffic. Japan’s rural vistas are now cluttered with neon signs for souvenir shops and love hotels, choked with traffic emitting noxious diesel fumes, and clogged with artificial resort developments where tourists throng in ever larger heaving multitudes, spreading rubbish and mayhem in their wake. Moreover, Japan’s cities are enormous monuments to the power of capital as they hustle and bundle the unwitting into cramped, soulless, and irritatingly noisy palaces for the consumption of over-priced second-rate products that few people really want or need.

The point that the advertisers appear to have completely missed, or are perhaps so chillingly aware of, is that a dream is a dream precisely because it is not reality and is unlikely to become so. In fact once it becomes reality it ceases to be a dream at all. Moreover, the cars in question are not the dream automobiles that the commercials would like the viewer to believe. Although the company may produce reliable and efficient vehicles, they are also noted for their mediocrity when compared to the expectations the consumer has been led by the commercials to develop.

Most significantly, however, the dream that the advertisers propose to us is such a conceit precisely because it is not our dream. We have dreams that are altogether more uplifting than the spiritless mediocrity served up to us daily on television in Japan and in the West but we all too often feel powerless as individuals to do anything effective about it so we cooperate, then comply and collude with, and eventually capitulate to the incessant competitive demands of the market because we realise to our disappointment that, under the present circumstances, the modern dream we have set up for ourselves has become paradoxical and self-contradictory and therefore unrealisable. Thus we comfort ourselves with the knowledge that we can participate in the modern dream to enough of

an extent that detached and reflexive criticism of the circumstances of life in late-capitalism are deflected by the muted and transitory satisfaction that we gain from fetishistic consumption.

This metaphor for modern life points us towards the final characteristic of Japanese, and Western, or global hybrid modernity that this dissertation reveals. The idealism of modernity is progressively being usurped by the globalisation of market capitalism to the extent that we are all now in thrall to a subversive process of subliminal manipulation. In this new world of ours apparently no-one is in control and everyone is a victim of circumstance. This is what Max Weber meant when he referred to the “iron cage” of capitalism or what Anthony Giddens refers to as a “juggernaut” in danger of careering out of control. What market capitalism manages to do is to feed off our faith and hope in the modern idea while simultaneously only delivering on a small fraction of its promise. The result is the mediocrity of hyper-materialism disguised as the self-realisation of the subject. However, we are so keen not to have to face the sad truth that we have been duped, we even pretend to ourselves that we are willing and active participants in this magnificent yet terrible charade. For capitalism has come to dominate our lives in such a way that it really is a self-perpetuating and self-regulating system over and above and independent of its human architects and engineers.

And this is the predicament within which we now find ourselves. For modernity was not supposed to be like this. It came to us full of promise and salvation for the future and for a while it delivered on its promise as we experienced its benefits. But it is beginning to fail in its purpose of giving us everything we expect of it because it has become bound up with and perhaps even replaced by a mechanism that works to undermine the very foundations of our most deeply held ideals.

# Appendix

# Personnel Vision 21

A personnel vision suited to the 21st century

April 1998

## Introduction

This pamphlet, entitled “Personnel Vision 21”, sets in place a personnel vision suited to the 21st century. In a greatly changing economic and management environment, [the company] is aiming at a new type of company and employee that correspond with the social and labour environment. The principles and plans that underpin the personnel system will be explained below.

In addition, our purpose here is to build a stronger and more attractive organisation. In order to achieve this, each person should positively improve his own value, and to provide strong support for this the company has placed it at the centre of this vision.

More than anything else, the developmental motivations of its “human resources” are what support [the company].

A personnel vision suited to the 21st century

[the company] determinedly and strongly supports improvements in the value, life, and safety of each and every employee.

## Facing the Economic and Management Environment

The 21st century economic system will be:

1. Free (Free choice and responsibility for oneself)
2. Fair (Fair competition)
3. Global (Convergence on a global standard)

We are pursuing the above concept. From now, international competition is accelerating and whether we like it or not it is having a great effect on every aspect of the company’s activities. Moreover, the economic environment surrounding [the company], the pillars of which are our company’s business in the fields of micro-electronics, information, and communications, is characterised by the following:

Severe competition in technology is increasing and, on the other hand, in consumer markets

“customer satisfaction” has become an essential condition for business success.

## **Facing the Social and Labour Environment**

In addition, the above described economic and management environment has become elaborately entangled with the social and labour environment and various waves of change are approaching. For us in particular, there is an increasingly pressing need to face the following five issues.

### **1. A partnership between the company and the individual.**

We are working towards a shared idea of mutual trust in company and individual relations. Our mutual responsibilities, which must be consciously and determinedly understood, are for each person to actively raise his own value and for the company to support opportunities for this.

### **2. The importance of social responsibility**

Moreover, from now on, we strongly need to establish standards of social responsibility in the face of issues, such as environmental problems, that the company is actively coming to grips with.

### **3. The aging problem**

At the same time as the falling birthrate and aging of society are advancing so is the aging of the company's workforce.

### **4. Support for the active participation of women**

Based on revisions to the Equal Employment Opportunity Law, for those women that want work that does not divide men and women into different frames, we must realise an appealing workplace that allows women to display their talents and enjoy their work.

### **5. Diversification of the Employment Structure**

Changes in working people's consciousness and the diversification of enterprise activities, combined with the use of despatch and contract workers and foreign employees and increasing temporary transfers are leading to a diversification of employment structures. Based on this diversification, we must improve the efficiency of our human resources.

## **Active correspondence with the economic, social, and labour environments**

### **Corporate Philosophy**

#### **1. Raison d'Être**

Through the themes of light and micro-electronics, to communicate to the world and travel along the road to trust and understanding.

#### **2. Basic Management Stance**

Respect for the individuality and originality of each company member and the development of a

dynamic management responsive to the age and environment

### 3. Basic Behavioural Stance

The advance of challenge and innovation

### **Personnel Philosophy**

1. Respect for the employee's voluntary will and motivation
2. Importance of a global concept and alertness
3. Importance of combining strengths to achieve communicative needs
4. Fair evaluation of abilities and results and the realisation of "pay for performance"

### **Personnel Policy**

- 1. Organisation** - Aiming towards the possibility of an organisation overflowing with rapid activity
- 2. Arrangement of Core Members** - Realisation of a strengthened organisational character around a small group of highly talented people
- 3. Development of Abilities** - Support for the diversification of opportunities for each individual to take ownership of and raise his own value
- 4. Application of Human Resources** - Support for an active workplace that makes motivation and results compatible
- 5. Personnel Evaluation and the Wage System** - Towards a system of rewards commensurate with the value of our human resources
- 6. Health and Welfare** - Promotion of a scrap and build approach and a suitable structure
- 7. Safety and Hygiene** - Formation of a comfortable workplace where people can work actively and happily in safety

## **[The Company]'s Ideal Form**

Realisation of an "independent spirited professional body" that is a partnership between the company and the individual for the joint ownership of values and results

1. For the enlivening of work by the employee's abilities, will, and individuality and for each individual to feel a sense of that which makes life most worth living.
2. As a result of the above, alongside the realisation of a strengthened corporate body and a raising of results, a proper distribution of fruits and a connection with a rich life for the employee.
3. Leading from the above cycle, supported by the company, the employee raises his own value, works towards producing results as a confident professional full of a will.

# Concrete development of personnel plans and measures

## 1. Organisation

Clear authority and responsibility founded on a simple and autonomous organisation. Autonomously put into effect a “Plan do see” approach that aims at the possibility for a fast and active organisation.

## 2. Arrangement of Core Members

Towards high added value and high productivity human resources and structures. Aiming at a high added value and high productivity specialised group and, without dividing by nationality, gender, years of service or mid-career entry, along with broadening our best human resources, as well as actively using a differentiated employment structure, requiring the best arrangement of human resources.

## 3. Development of Abilities

Based on the idea of “individual responsibility and ownership of ability development”, supporting each person’s motivation. The employee himself owns and has responsibility for raising his own value. The company properly recognises each individual’s own value and works towards supporting various opportunities for raising this. In particular, development of measures that place “English ability”, which is the basis of advancing globalisation, at the centre of the urgent and important theme of “Abilities Corresponding to Internationalisation” and making it common to all employees.

## 4. Application of Human Resources

While respecting the individual’s will and desire, aiming at the application of dynamic human resources that takes on the viewpoint of the whole organisation. In order to realise each individual’s dreams for his work, it is indispensable to actively acquire and broaden a high level of abilities. The company supports an increase in business domains, big changes in the content of business administration based on placing the semi-conductor business at the centre of our activities, and the widening of internal and external business activities based on a broad viewpoint.

## 5. Personnel Evaluation and the Wage System

Fair evaluation of each individual’s abilities and results and aiming at suitable treatment based on this. Based on the idea that “pay for performance” equals “wages paid according to the individual’s ability (results according to ability to produce) and results (contribution of concrete results)”, we are examining and preparing for a personnel, wages, and pension system etc. where seniority based elements will be attenuated, and treatment will be according to the value of human resources. Moreover, the company and individual are working towards promoting communication between superiors and subordinates and the company and the individual for the purposes of understanding each individual’s performance.



## 6. Health and Welfare

Rather than treating it only as an extra, we are investigating the implementation of a “cafeteria style system (Choice-based health and welfare system) that efficiently address the needs of the individual employee. For that, we are promoting efficiency and a scrap and build mentality to look at actively reforming the present system for a future system of health and welfare with a clear meaning and purpose.

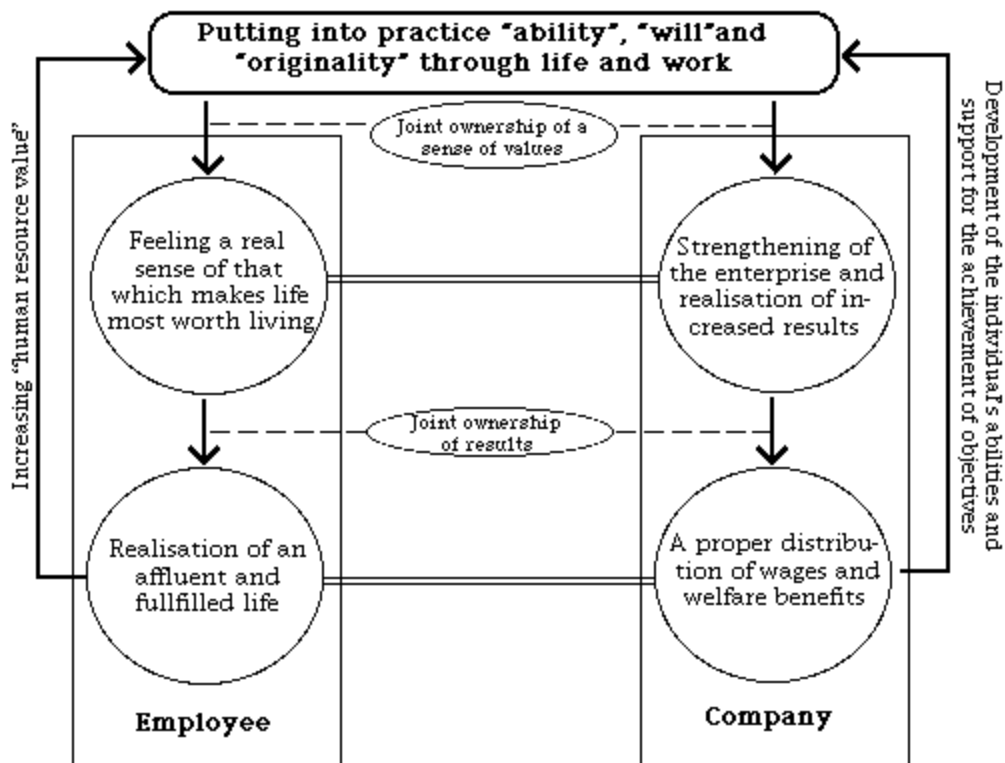
## 7. Safety and Hygiene

We promote the health and safety of all employees at work and the establishment of a comfortable working environment. We are working towards the development of a “substantive total health policy” and active “exercise for health”.

# Towards the realisation of an “independent professional group”

In this severely and greatly changing era, in order to improve each person’s “human resource value”, the company is working towards an attractive workplace by tackling these issues in a forward-looking manner.

To that end, [the company] is aiming at the realisation of the employee, together with the company, developing his career, working towards growth, and creating an “independent professional group”.



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<sup>i</sup> See Kahneman, Slovic, and Tversky (1982), as well as Merleau-Ponty (1998 [1962]), for a fuller explanation of these ideas.

<sup>ii</sup> Out of respect for the self-identity of informants, names are printed in the order in which they have been presented to me. That is to say, if individuals have introduced themselves to me with their given names before their family names I will mention them in the text in that order. This principle also goes for written material. Thus, Francis Fukuyama is presented in the Western fashion and Tominaga Ken'ichi in the East Asian.

<sup>iii</sup> The terms the 'West' and 'Western' are highly problematic, as are 'Asia' and 'Asian'. By the 'West' or 'Western' I mean, in a general sense, Western Europe and North America. However, although Western countries and cultures, such as Spain and Ireland, without doubt possess unique characters of their own which give colour to what might very loosely be called Western culture, the principal countries involved in the outward expansion of industrial capitalism and capitalist modernity have been the United States and Britain. Thus the Western paradigm is heavily dominated by what might be called the Anglo-American system.

<sup>iv</sup> A formal definition for work is difficult, and by its very nature may differ from person to person. Unpaid domestic labour may be called work, as can unpaid academic study at school and university, creative and performance art, entrepreneurial enterprise or virtually any activities, including criminal acts, that have an instrumental purpose. That is to say, work activities can be valued in themselves or for their psychological benefits, but for an activity to be considered 'work' there must always be, in addition to any other purposes, an extrinsic or instrumental aim or motivation for its performance (*The Social Science Encyclopaedia*, 1996: 919-921).

<sup>v</sup> Islam can be identified as perhaps the most powerful ideology still thriving at present that is both anti-capitalist and anti-modern and has the capacity, under certain circumstances, of checking and rolling back the advance of capitalist modernity. As such, therefore, it has been labelled a dangerous and evil threat to Western civilisation and has excited the formidable power of the Western security apparatus to be ranged against it.

<sup>vi</sup> See Bernstein (1997) for an account of the principles and industrial application of the philosophies of the Human Relations Movement and of Scientific Management.

<sup>vii</sup> Here I feel it is perhaps necessary to provide a brief explanation as to the meaning and usage of the terms institution and organisation, for earlier in this chapter the former was used to refer to the established and ongoing social activity of work and in the preceding paragraph it was used to describe a formal social system that is much closer to our commonsensical interpretation of organisations as "the strategic social units within industrial capitalist society ... through which the requirements for efficient large-scale production and administration, and the power interests which they served, could be realized" (*The Social Science Encyclopaedia*, 1996).

Referring to standard and commonsensical definitions provided by widely available and authoritative general sources (*The Grolier Multimedia Encyclopaedia*, 1998 and *The Social Science Encyclopaedia*, 1996), an institution can be defined as; the formalisation or crystallisation of a pattern of behaviour or a social mechanism into a norm that fulfills the basic needs of individuals and of society and provides the social necessities of routine, predictability, stability and persistence. However, we must also recognise that institutions are, in addition, permanently in the process of formation, negotiation, decline, and reconstitution. Both the social activity of work and its crystallisation in the form of a mechanism or system of employment can, thus, be rendered as institutions in

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this sense.

viii Both these two *manga* series have as their main protagonists young and handsome salarymen who battle ceaselessly for the benefit of their companies against the pernicious influences of self-centred adversaries from both within and without the organisation. Both characters regularly encounter systemic frustrations in the course of their battles but, after enormous struggle, are able to overcome the seemingly insuperable obstacles they encounter. Of course, both characters are also devastatingly attractive to women. See Motomiya Hiroshi, *Sarariiman Kintarou*, Young Jump Comics, Shueisha, and Hirokane Kenshi, *Kachou Shima Kousaku*, Koudansha, and (Same Author), *Buchou Shima Kousaku*, Koudansha

ix All the details in this paragraph are taken from a video recording of a 1997 Fuji Television special documentary news item about the history of the salaryman. I was shown the video in a Japanese language class at the Japan Foundation Language Center Kansai in the summer of 1998, however, after much effort on my behalf, the teacher was unable to produce a bibliographical reference. I also tried, unsuccessfully, to gain a reference directly from Fuji Television. Unfortunately, therefore I cannot provide reliable source information for the information contained in this paragraph.

Kinmonth (1981) places the origins of the term at around the same time but sees the salaryman's origins in the low level government employees colloquially termed at the time "*koshiben*" because they carried lunch boxes tied around their waists, and the newer "*gekkyuu-tori*" of private industry, so termed because they received a monthly salary.

x Fully recognising the fundamental importance of women in the workplace, this aspect of Japanese modernity does not lie within the parameters of my research. While understanding the limitations this places on the generalisability and validity of my findings, in keeping with Gilligan's (1996 [1982]) and others' work on the differences between men's and women's world-view as well as women's and men's experience of modernity (Sayer, 1991), I prefer to leave an analysis and description of women's role in Japan's development to other more qualified researchers.

xi In the interests of preserving the anonymity of respondents I have decided not to reveal the names of any of the four companies whose data is used in this research project.

xii These periods were chosen because they represent the height of the post-war period of rapid economic growth (late-1960s), the period of instability of the mid-1970s, and the period with which my research is primarily concerned (late-1990s-2000)

xiii Hasegawa (1993: 13-14) describes organic compatibility as "a state and process whereby institutional arrangements — such as work practices, employment practices, and industrial relations — can be formed naturally and unconsciously as a system of management, i.e. with little deliberate effort." He goes on to say that "In Japan's case, these conditions emerged between 1960 and 1973 without a great deal of controversy, seeming simply to follow on from the large-scale technological innovations underway at the time (albeit in a manner influenced by cultural predisposition)." However, "Contrived compatibility implies a state and process of managerial efforts to restructure corporate organisation in order to find a way to survive the end of growth and the onset of de-industrialization. Institutional arrangements are reviewed in order to realise as high a degree of compatibility as possible, or to halt further departure from the line of relative advance. It will invariably require conscious effort and create various difficulties of adjustment, and it results in a profit-oriented division system in the corporate

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structure.”

<sup>xiv</sup> See, for example, the work of Karl Popper (1959 [1972]) for a philosophical ‘proof’ for the idea of permanently provisional scientific knowledge.

<sup>xv</sup> David Williams (1996a and 1996b) goes further to claim that the Japanese challenge to western social scientific epistemology is so powerful that it represents, in Kuhnian terms, “revolutionary science” as opposed to the “normal science” of social scientific studies of western countries.

<sup>xvi</sup> Moreover, it is important to state here how modernity has been for much of its history a masculine condition and a masculine consciousness. Certainly throughout the majority of the period since the mid-seventeenth century the ideology of modernity has applied almost exclusively to men. Women were very much regarded as being dependent on and inferior to men, both in the practical and philosophical worlds. Without wishing at all to underrate the contribution of women to world development, their experience of the ideology of modernity has both been restricted to more recent decades of the twentieth century and more restricted areas of the world. Thus we must be mindful of this fact when we make judgments as to the generalisability and applicability of modernity as a social condition.

<sup>xvii</sup> After the American functionalist sociologist Talcott Parsons. In, among other works, *Towards a General Theory of Social Action* (1951) he argues that in order to maintain social order people must perform four functions. They are adaptation (economy), goal-attainment (polity), integration and pattern-maintenance (society), and tension-management (culture) (*The Social Science Encyclopaedia*, 1996).

<sup>xviii</sup> R. H. Tawney’s (1922 [1975]) distinguished work, *Religion and the Rise of Capitalism*, describes in eloquent detail the economic developments in England and elsewhere in Europe that prepared the ideological ground for the transformations of the Renaissance and Reformation. The introduction of market principles into trade, the development of sophisticated financial instruments, the increasing acceptance of the merchant’s profit as well as that of the money lender, the taming of large areas of previously waste agricultural land and so on. Basically, Tawney’s thesis is not a direct repudiation of Weber’s work but he opts for a more nuanced understanding of the way developments in the late middle ages prepared the way for the cultural transformations of the Renaissance and Reformation.

<sup>xix</sup> The title of Vlastos’s (1998) edited volume, *Mirror of Modernity*, was my inspiration for this idea.

<sup>xx</sup> Taken from the nineteenth century English children’s hymn “All Creatures Great and Small”, the above quoted verse has in the last two or three decades been removed from nearly all hymn books in the UK for the simple reason that the Church of England no longer adheres to religiously ascribed social class and role fulfillment, preferring to encourage children to learn to take responsibility for determining their own futures.

<sup>xxi</sup> In this respect, one needs to bear in mind that the average life expectancy for Japanese men during the 1950s and 1960s was not what it is today. In fact if a man could only reasonably expect to live until his late fifties or early sixties then working until age 55 really was, to all intents and purposes, for the lifetime of the employee.

<sup>xxii</sup> Kinmonth (1981) points out that long-term continuous employment was a characteristic of large Japanese enterprises and governmental institutions as early as the Meiji period, however, by the Taisho and early Showa years there was a surplus of graduates from private universities trained in what he translates from a 1928 *Asahi Shimbun* article as the “flunky learning” of subjects such as law or economics. Although larger enterprises were moving in the direction of long-term employment of elite white-collar graduates during this period, as Kinmonth

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(1981) concedes, there was endemic insecurity for white-collar graduates of private universities as well as a tendency among major employers such as Mitsui and Mitsubishi to take advantage of this by enforcing compliance and conformity to corporate values through the ever present threat of being laid-off.

<sup>xxiii</sup> See, for example, Lincoln and Kalleberg (1991)

<sup>xxiv</sup> President, Company C, In-Company Magazine, May 1967, p. 2

<sup>xxv</sup> This feeling was confirmed on reading the 1968 Entrance Ceremony speech of the Company A (optical and electronic products) President's speech. Again, he stressed the nature of working as a thoughtful, creative, productive, and cooperative person because all aspects of the company's activities rely on inter-dependent cooperation between employees as well as with other companies and the development of long-term relationships between employees.

<sup>xxvi</sup> By semi-ascriptive I mean an internally generated and active choice of career encased within a socially rigid set of structures and external expectations that guide the individual towards role-fulfillment as a received (ie. non-reflexive) ideology of self-realisation as a socially embedded and inter-dependent individual.

<sup>xxvii</sup> Imada and Hirata's (1995) research describes a three-tiered system for the post-war promotion system where the first tier is one of socialisation and seniority-based promotion. The second tier is a "speed-race system" where low grade management employees progress to the same levels at different speeds, and the third tier of "tournament style" promotion where progress to higher management positions is based on ability and only few employees can advance to these levels. They argue that this system has been the main frame of reference for employees for most of the post-war period and that with increasing pressure from globalisation and an aging society promotion is gradually being rationalised into a more ability-based system.

<sup>xxviii</sup> With nearly all corporations operating a similar system of acquiring a broad range of skills through learning by doing an effective and fluid external labour market, one that is based upon the trading of specific labour capabilities for a mutually understood market price, became practically impossible for white-collar university graduate males. A secondary labour market of this type has operated in Japan for virtually the whole of the post-war period but this has for the most part been confined to blue-collar work in small and medium sized enterprises. Consequently, the economic-sociology of Japan has repeatedly stressed a basic dualism between primary and secondary markets and systems.

<sup>xxix</sup> Active in the sense that individuals chose to follow the line of least resistance and passive in the sense that its consequence was ascribed role fulfillment. Thus, again, displaying neither a completely modern nor completely pre-modern consciousness.

<sup>xxx</sup> In the course of my field-work and in discussions with Japanese from all walks of life this was explained to me many times.

<sup>xxxi</sup> On a visit to a Japanese electronics company in South Wales in 1997 the Japanese Company President explained to me that he found great difficulty in trying to persuade British white-collar employees to adapt to Japanese job-rotation systems. In fact, he had given up trying. He claimed that British employees look for a job that is defined by its content, for example marketing, accounts, personnel and so on and they try to develop professional expertise in that field in order to increase their attractiveness in terms of a fluid external labour market. However, in contrast, he explained that he found Japanese white-collar employees much easier to manage because they identified first and foremost with the company and, as such, did not object to being moved to positions away from

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their area of expertise. Indeed, he said, because the Japanese employees expected to remain at the company until retirement they felt they had no need to develop professional skills that can be traded on the external labour market.

xxxii Sugimura (1997) certainly believes that the Japanese salaryman gained personal fulfillment principally from diligently working within a productive community but that this aspect of working within the corporation is waning with increasing individualism.

xxxiii This idea was first described to me by a salaryman who himself had studied sociology at post-graduate level and had recently resigned from his company.

xxxiv Moreover, the very survival of the term 'salaryman' itself leads one to surmise that Japanese men in white-collar work do not see themselves, and are not regarded by others, as professional specialists. Otherwise would they not be called accountants, investment bankers, insurance actuaries and so on, as they are in the West?

xxxv This information was gleaned from various media reports during the late 1990s.

xxxvi Sarariiman dokuhon: anata no yokubou wa nani gata ka, *Shukan Asahi*, 26 May 1974, pp. 16-23

xxxvii Sarariiman Jidai, *Nihon Keizai Shimbun*, 19 March 1967, pp. 11

xxxviii Japan Management Association

xxxix Sarariiman Jidai, *Nihon Keizai Shimbun*, 12 March 1967, pp. 11

xl Nouryoku jidai no tenkin sakusen, *Asahi Shimbun*, 30 March 1967, pp. 7

xli 'Nenkoujoretsu' ga kwaranai ga jakunensou hodo kakusa shukushou, *Nihon Keizai Shimbun*, 7 April 1974, pp. 3

xlii These ideas were stimulated by a presentation given by the historian and anthropologist of nationalism Benedict Anderson at Kyoto Seika University on 13 June 2000 entitled "Memory and Forgetting: Nationalism in Indonesia and Taiwan."

xliii My italics

xliv See for example Cole (1971).

xlv See for example Clark (1979).

xlvi Company data was from the following automobile assemblers: Hino, Honda, Isuzu, Mitsubishi, Mazda, Nissan, Subaru, Suzuki, Yamaha, Daihatsu, Toyota, and Nissan Diesel.

xlvii Company data was from the following department stores: Hanshin, Matsuzakaya, Hankyu, Daimaru, Izutsuya, Isetan, Sogo, Takashimaya, Mitsukoshi, Matsuya, and Tokyu.

xlviii Company data was from the following companies: Daiei, Inageya, Ito Yokado, Jujiya, Izumiya, Mycal, Nagasakiya, Yuni, Seiyu, and Jusco.

xlx At the time of writing, Sogo, a major department store operator had recently filed for bankruptcy protection under new US-style bankruptcy protection measures that came into effect in April 2000. Nagasakiya, a supermarket chain, in 1999 had also been in such difficulty that it has now been all but taken over by the US investment company Cerberus. Moreover, the Saison Group, which owns Seiyu amongst others, is also in serious financial difficulty as a result of its over-investment in real estate during the bubble period. (This information has been compiled from various newspaper and television sources.)

<sup>1</sup> Given that more than 90% of Japanese attend secondary education to age 17/18 and then more than 40% attend an institution of further or higher learning it would be difficult to achieve much lower levels of average entry age if there was anything approaching a functioning external labour market for mid-career recruits in these industries.

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li In English the Nihongata Koyou Shisutemu Kenkyuu Kai is The Japanese-Style Employment System Research Group, Chougin Souken Consarutingu is Long Term Credit Bank Research Consulting, and the Nihon Roudou Kenkyuu Kiko the Japan Institute of Labour. Long Term Credit Bank has itself been in serious financial difficulty resulting in its being taken over by Western investors and renamed Shinsei Bank. Shinsei Bank subsequently refused to restructure Sogo department store's outstanding loans, causing the company (Sogo) to declare bankruptcy. (Various newspaper and television sources.)

lii The Japanese government is moving towards raising the fixed retirement age for all men to 65 in an effort to reduce the expected future revenue pressures of an ageing society. Companies are being asked to comply with this move but as yet little seems to be being done in a concrete manner and average retirement ages for middle management (*kachou* and *buchou* level) remains at 56 or 57 years of age for all companies in the sample (Nihongata Koyou Shisutemu Kenkyuu Kai, 1995)

liii Early retirement is an important feature of present measures to deal with the ageing of the workforce and underemployment of middle-aged employees. It is used by companies from about the age of 45 on and is by no means always voluntary in a strict interpretation of the term. Large numbers of press reports attest to the fact that many are forced or at least are strongly encouraged to 'voluntarily' retire from their employment.

liv OECD (Organization for Economic Cooperation and Development) figures taken from: Economic Planning Agency, 1999: 292

lv Job changing in this respect means changing employer.

lvi Harada (1999) states rightly that the judiciary in the early 1970s established the legal principle that companies could only legally lay-off regular employees into the external labour market at times of extreme economic distress. However, there have been few challenges since then to this principle and, more than simply obeying the law, companies appear to recognise their responsibilities in a normative manner.

lvii This study consisted of questionnaires returned by the management of 645 companies, the majority of whom are listed on the Tokyo Stock Exchange. The focus of the questionnaire was on the future of the Japanese corporate system in the 21st century.

lviii In comparison to the other two studies this one is interesting in respect of the various ownership structures and the size of companies represented. 367 companies are listed on the Tokyo Stock Exchange with the rest being either subsidiaries or independently owned companies. Moreover, the study includes a substantial number of companies of less than 1,000 employees.

lix It is important to note here that government intervention in labour markets through employment subsidies for loss-making firms and support for the construction and other industries that soak up workers temporarily is much more heavily used in Japan than in the UK or USA with the consequence that the full potential effects on employment of economic stagnation are not felt in the same way as they may be elsewhere.

lx This information was provided during an interview with a personnel manager from Matsushita Electric Industrial in April 2000. Of those recruited in April 1998 44 percent opted for the early payment plan, to the great surprise of the company which expected perhaps ten percent to opt for this system. As of January 2000, 5 percent had changed to the standard system, leaving 39 percent still on the early payment system. According to an *Asahi Shimbun* article (Matsushita Denki "Saki-Barai Kyuuyou Seido", *Asahi Shimbun*, 10 January 1998, pp. 12), engineers especially favoured this system, preferring performance related pay over security of employment.

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lxi Management and Coordination Agency monthly unemployment statistics are notorious for not accounting for women who have withdrawn entirely from the labour market, for men who are inactive or underemployed but continue to receive a salary because the employing organisation receives substantial employment subsidies from the government and so on. It is widely appreciated by experts on this issue that the Japanese government unemployment data underestimates the actual rate of unemployment by a considerable margin. A recent Economic Planning Agency report estimated that over-employment had reached 2.28 million workers as of March 1999 (Nikkei Weekly, 7 February 2000).

lxii Significantly also, it was precisely the wave of restructuring in Britain and the United States in the 1980s in which the ideology of “a job for life” was crushed from without by the ideologically driven economic reform measures of the Thatcher and Reagan eras and collapsed from within as a result of the changing work values and working behaviours of younger people (see for example Yankelovich, 1978 and Bernstein, 1997).

lxiii Unemployment and employment insecurity are much more widespread among the secondary labour force, however. By that I mean those not employed in prestigious organisations under the lifetime employment custom. These include most women as well as men in small and medium sized enterprises, non-degree-holders, and so on.

lxiv Managers at all four companies attested to this intention.

lxv Deregulation is often used in English to describe these reforms however this is an inaccurate translation of the terms *kisei kanwa* and *jiyuuka* as well as being an inaccurate reading of the situation. *Kisei kanwa* means a relaxation of regulations and *jiyuuka* means liberalisation. Both these terms are more appropriate descriptions of actual conditions, the latter being more natural in English.

lxvi This attitude came out in informal interviews with employees over drinks and food on various occasions during the course of my research at the company. Two Company C employees are personal friends whom I met while working in Tokyo in the early 1990s and who introduced me to many other employees who also attested to this rather badly kept secret!

lxvii In May 2000 Doshisha University in Kyoto, the most prestigious private university in the Kansai region, held for the second year in a row an employment fair for its students where participation was exclusive to foreign companies. As in 1999 the event was dominated by American financial institutions and was very well attended by students.

lxviii See Beck and Beck (1994) for more details on this point.

lxix See Michael Porter’s comment on the current weakness in the Japanese industrial system’s ability to compete successfully in a globalising market and his suggested solution of management adopting, first and foremost, a new strategic vision of what they wish their company to become in the future (Porter, 2000).

lxx In interview with the General Manager of the Research Department of the Centre for the Industrial Renovation of Kansai, July 2000.

lxxi By internationality I mean the respect for as well as an acceptance or even insistence upon the interconnectedness of difference between national systems and characteristics. This is in contrast to globalism which assumes the penetrability and even irrelevance of nationality and national borders.

lxxii See Appendix for a full translation of this document.

lxxiii Now more often than not used disparagingly but also sympathetically, *kaisha ningen* refers to salarymen who lose their self-consciousness through an over-identification of self with company which results in a self-sacrificing,

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and sometimes self-destructive, devotion to corporate goals at the expense of all else.

<sup>lxxiv</sup> In this sense *fabricate* is used to convey the idea that the new employee consciousness is a deliberate falsity for the purposes of the corporation's competitive success. Furthermore, the idea of brittleness or transitoriness is also intended in the use of this word. Meaning that the new consciousness lacks the strength and permanence of a truly modern consciousness because it is being manufactured from without rather than developed and cultivated from within.

<sup>lxxv</sup> The verb-phrase *risutora suru* (to restructure) in its passive form (to be restructured) has become a commonly used euphemism for being expelled from the corporation.

<sup>lxxvi</sup> Management is even going so far as trying to influence the ideological and organisational bases of the education system and to alter it to serve their own needs. All three of the principal representative management associations have issued their own policy recommendations. Nikkeiren's (1995) is titled *Shin-Jidai ni Chousen Suru Daigaku Kyouiku to Kigyō no Taiō* (A Correspondence Between University Education and the Corporation that Meets the New Era). Keidanren's (1996) is titled *Souzoutekina Jinzai no Ikusei ni Mukete: Motomerareru Kyouiku Kaikaku to Kigyō no Koudou* (Aiming at the Development of Creative Human Resources: Possible Education Reform and Enterprise Behaviour). Finally, Keizai Doyukai's (1994) is called *Taishuuka-Jidai no Atarashii Daigakuzou wo Motomete: Manabu Iyoku to Nouryoku ni Kotaeru Kaikaku wo* (Seeking a New Image of the University in The Era of Massification: Ability and Motivation to Learn to Meet the Reformation). All three documents determine a need for the education system to change to meet the needs of the new type of corporation by educating students into a new system of values that are required in order to live and work successfully (as defined by management) in a new economic and social environment.

<sup>lxxvii</sup> See, for example, Kaji (2000)

<sup>lxxviii</sup> Maslow's subjects were predominantly white American males and this has led to the criticism that his work is biased against other cultures.

<sup>lxxix</sup> By way of example, the commonly used terms self-actualisation and self-realisation (*jikojitsugen* being the Japanese translation) have both been derived directly out of his work. Hamada's (1998) book, titled *Shigoto to Jikojitsugen no Ii Kankei no Tsukurikata* (Creating a Positive Relationship Between Work and Self-Realisation), is an attempt to clarify the way to self-realisation through work and the employee's relationship with the company. The book is based on Maslow's work and directed at salarymen who might feel confused by the new world of work in Japan and elsewhere and it advises them how to respond by ditching the past and looking forward to a new future of individuality, creativity, and a sense of responsibility for oneself.

<sup>lxxx</sup> Although all people experience hunger if they do not eat and seek to satisfy that hunger by eating food, precisely what someone eats will be different between cultures and what people value as ethically correct to eat will also be so. Moreover, people in all cultures make friends and fall in love with each other though they may express that friendship or love in different ways according to the ethical and cultural variations that exist between different groups of people.

<sup>lxxxi</sup> Both genetic and cultural teleonomy are evolutionary and developmental processes that are, to a large extent, beyond the capacity of individuals to direct. In modern society, where the principles of liberalism, democracy, and self-determination have overtaken and replaced the rigidity of the Ancien Regime, the teleonomy of the self becomes more important because of the possibilities opened up by the structure of modern society for the exercise



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of choice and of experiments in living.

<sup>lxxxii</sup> Csikszentmihaly uses the terms negentropy and negentropic to mean the opposite of entropy and entropic. That is to say, where entropy means a tendency towards decay, simplicity, and uniformity, negentropy suggests a tendency towards growth, complexity, and diversity. Ingilleri (2000) describes entropy as a permanent state for all inanimate objects and negentropy a natural and essential state inherent in all living things.

<sup>lxxxiii</sup> Literally translated into English as the Life Design Research Institute, this research body was set up and sponsored by Daiichi Seimei Hoken (Daiichi Life Insurance Company).

<sup>lxxxiv</sup> The data was gathered from 1,107 men and 1,103 women, with 67 percent of men between the ages of 40 and 69.

<sup>lxxxv</sup> 7,022 people responded and out of these 3,223 were men and 3,799 women.

<sup>lxxxvi</sup> Oswald (1997) claims, quite convincingly, that lack of fear of unemployment is a much greater influence on people's feelings of well-being than material prosperity.

<sup>lxxxvii</sup> The data in this paragraph was produced by various Japanese government bodies and was reprinted in Keizai Kikachou, 1999.

<sup>lxxxviii</sup> Recruit Research Company

<sup>lxxxix</sup> This research was reproduced in the CD-ROM that comes with recent Labour White Papers. The number of respondents and the size of the sample were not given. In addition, it is not clear whether respondents were senior high school or university graduates or both.

<sup>xc</sup> *Fureeta* is a shortened version and combination of the English word "Free" and the German word "Arbeiter" and is used to describe those people who either cannot or choose not to gain regular and secure employment on graduation from high school or university. Instead they usually take a series of low-paid but convenient part-time and temporary jobs in predominantly service oriented work such as in retail and eating and drinking establishments.

<sup>xc<sup>i</sup></sup> Reproduced in the Labour White Paper CD-ROM, this research covered 20-24 year olds. Produced by *Roudousho* (Ministry of Labour), the title of the survey is *Jyakunen Shuugyou Jittai Chousa* (1985 and 1997).

<sup>xc<sup>ii</sup></sup> The 1983-84 group was comprised of 648 men (34 percent at companies of more than 1,000 employees and 31.4 percent at companies of 999 or less) and 383 women and the 1989-91 group was made up of 641 men and 661 women. The respondents came from companies of various sizes, unlike the 4,063 respondents of the Nihongata Koyou Shisutemu Kenkyuu Kai (1995) who all come from companies of more than 1,000 employees.

<sup>xc<sup>iii</sup></sup> Although the percentage changing employer are higher in the more recent study, as it covers a wider range of companies in terms of their scale a precise comparison between the two studies in this respect would be problematic.

<sup>xc<sup>iv</sup></sup> Moreover, after attending three Japanese universities myself as a graduate student for more than two years in total, there is no doubt that, for the majority of students, *shuushoku katsudou*, or job hunting, is the most important task of the second half of their university life and their efforts are overwhelmingly directed at large and prestigious domestic corporations.

<sup>xc<sup>v</sup></sup> The Tokyo University Newspaper article from which this data is compiled stressed that banks and securities companies, as well as central government ministries, had experienced a reduction in popularity recently due to the series of scandals that had engulfed the finance industry and the bureaucracy (*Tokyo Daigaku Shimbun*, 2 June 1998).

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<sup>xcvi</sup> Perhaps there is something in the nature of the scholar's consciousness that seeks to reduce people to atomised individuals. This may be, first, because researchers themselves, by the very nature of their work, will tend to be highly reflexive and individualistic people, and second, such reductionism might also be seen as an effort to simplify and make accessible what are essentially highly complex and somewhat impenetrable phenomena.

<sup>xcvii</sup> See Sato's (1988) essay on the feelings of *Bosozoku*, or motorcycle gang members, in Csikszentmihaly's edited collection. In this article Sato clearly expresses the idea that Japanese gang members experience flow through the activities of the gang as a single entity.

<sup>xcviii</sup> See Sugimura (1997).