

ACCOUNTING, EDUCATION AND SOCIETY IN JAPAN

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I. *Introduction—Some Views on the Objective of Business Education at the University*

Generally speaking, two different opinions exist as to the objective of education at the university. One insists that it should be the primary objective of education at the university to prepare young men for personally fruitful and socially useful careers. The other view insists that education should prepare students for a specialized lifetime career. If these two opinions are applied to business education at the university, it follows that the former emphasizes the preparation for a career in business without regard to the kind of business or job, assuming that eventually the future businessman will attain a position involving a significant amount of administrative responsibility. On the other hand, the latter emphasizes the imparting of a special knowledge of subject matter in some particular area of business, such as management, accounting, finance, marketing, production, or insurance.

The difference between these two opinions lies in the fact that one maintains the primary objective of business education at the university is to prepare students for a general business career with emphasis on preparation for positions of administrative responsibility and the other maintains it is to train students for specialized careers emphasizing technical competence.¹

Before and during World War II, no argument against the objective of business education at the university existed in Japan. At that time a higher business professional school system other than the university had existed. These two higher business educational institutions, university and the business school, accepted their respective shares of the two objectives of higher business education as mentioned above.

II. *Professors' View on the Objective of Accounting Education at the University*

In Japan, two advanced business educational institutions existed before 1948; a three-year university or college and a three-year *Hochschule* (higher professional school) similar to a higher technical school or higher commercial school. The former followed an education of sequence of six years of elementary school, five years of junior high and three years of senior high school. The latter followed six years of elementary school and five years of junior high school. Under this educational pattern, the university or the three-year college took a part in the preparation for general and upper management and the higher professional school participated in the preparation for specialized and middle management. The division of objectives

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¹ Robert Aaron Gordon and James Edwin Howell, *Higher Education for Business* (New York City: Columbia University Press, 1959), pp. 39-41.

of higher professional education by these two institutions and the amount of emphasis put on the educational background for promotion are points worth mentioning.

The educational system in Japan, however, underwent radical changes in 1949. Consequently, both higher professional schools and three-year senior high schools were abolished; five-year junior high schools were reorganized into three-year junior high schools and new three-year senior high schools and universities or colleges were extended from three year courses to four year courses. Some higher professional schools and old senior high schools merged as a college or a department into an already existing university, and two or more of these schools were often amalgamated into a new university.

As the result of the reform of educational system, all higher educational institutions were named "university" or "college", both of which offer four-year courses. The universities under the new educational system, however, varied in their natures or purposes. Some universities became a mixture of university under the old system, old higher professional school(s) and/or old senior high school and others became a combination of higher professional schools and/or old senior high school under the name of "university". Almost every university included a higher professional school. These universities were confronted with a problem whether the primary objective of education at the university under the new system was the same as that of university under the old system or not. Under these circumstances, the accounting in the undergraduate courses were discussed at the 1960 annual convention of the Japan Accounting Association, an academic association composed mainly of university and college professors.

Two opinions on the objective of accounting education at the university existed among the members. Some insisted it should be to prepare students for careers in accounting, but the majority contended that it should provide educational experience that would help students develop their potentialities for leadership and service in business, in government and teaching, and research. The majority based their opinion on the facts that the curriculum in the undergraduate course should not be overly influenced by a particular purpose,—that it was the accounting knowledge required for leaders in all areas, such as business and government, that was to be presented to students in the undergraduate course, and that the more advanced knowledge necessary for a specialized lifetime career of accounting was given in graduate school or other appropriate facilities.² A similar opinion generally has been prevailing among businessmen in Japan.

III. *Businessmen's View on the Objective of Business Education at the University*

In considering the businessmen's view on the objective of business education at the university, it is most advisable to refer to the managerial promotion system presently practiced in business or government in Japan.

The "job oriented system", which regards the job as one of the most important factors in evaluating the individual's ability, is not well established. On the contrary, the "senior oriented system" is widely spread and deeply rooted in Japan. This system puts greater stress on both years of service in a firm and the employee's age than on his job, if the educational

² For the details of the discussion of the 1960 annual convention of the Japan Accounting Association, see Ichiro Katano, "Some Views on Methods of Accounting Education in Japan," *Proceedings International Conference on Accounting Education* (Urbana, Ill.: The Center for International Education and Research in Accounting), p. 58.

background of two candidates is equal. In an extreme case, if the number of years of service in a firm and if the age of the two workers is the same, they will receive the same amount of salary regardless of their levels of skill. This system is supported by the idea that the number of years of service in a firm is a useful index of his knowledge and experience in the job and his ability of fulfillment of a higher level of an administrative job.

The "senior oriented system" may be called a system free from restriction of any kind of job, because it does not place much emphasis on a job.³ As a consequence of this, a firm sometimes gives a person a new job which has no connection at all with his past job or his competence for it. Whenever he changes his job in a firm, he receives a higher rank in a firm. The high possibility of change of a job in a firm leads a person to work in the same firm until his retirement, which procedure his firm expects of him. It results in the few transfers of laborers between firms and the establishment of labor usage of "permanent tenure."⁴

Under this promotion system, business or government prefers university or college graduates who have a common body of knowledge adequate to give management the advice and assistance which its peculiar circumstances require to students who are specialized to a great extent. Japanese business or government expects the university to educate the students and trains them after they enter into business or government.⁵ A significant division of education and training exists in Japanese society.

IV. Conclusion

It is worth mentioning that the majority of professors and businessmen in Japan put more emphasis on general knowledge than on specialized knowledge in the undergraduate course at the university. Though their reasons are qualitatively different, one can depend on the basic idea of education at the university, and the other on the particular job evaluation system in Japan. This does not mean that university or college graduates are not required to get any specialized knowledge of subject matter at all, but are required to gain specialized knowledge supported by a common body of knowledge. The more complex the problems of society, including that of business, become the more specialized knowledge supported by a common body of knowledge is required for graduates. In Japan, the problem is not either specialization or broad education, but the most suitable curriculum for the improvement of the ability to change and to adjust to a constantly changing economic environment. As far as accounting is concerned, it must borrow from other disciplines, such as mathematics, statistics, and operations research, as accounting is a process having no substance itself.⁶

The special committee on Accounting Education, the Japan Accounting Association carried on a research of the curricula of a college or department of accounting in 1965-1966, which revealed that they were not well established. We must try to improve the curriculum of the college or department of accounting so that they fulfill the role of the accounting education at the university in the development of Japanese society in the future. Although this improvement may take a long time, it is certainly worthwhile.

³ Zyun-ichiro Tazawa, "Nenko-sei to Nihon-no-fudo" ("Senior Oriented System" and Japanese Climate), *The Asahi Journal*, Vol. 9, No. 14, April 2, 1967, p. 29.

⁴ For the details of the characteristics of Japanese business, see James C. Abeggeln, *The Japanese Factory; Aspects of Its Social Organization* (Glencoe, Ill.: Free Press, 1958).

⁵ John L. Carely, *The CPA Plans for the Future* (New York: American Institute of Certified Public Accountants, 1965), pp. 260-66.

⁶ Norton M. Bedford, "The Role of the University in the Development of the Accountant of the Future," *The Illinois CPA*, 1965 Winter issue, pp. 8, 11 & 43.