

MANAGEMENT SYSTEM OF JAPANESE COMPANY IN PRACTICE

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I. *Introduction—Experiences of President Yuasa*¹

On a day of the summer of 1977, Mr. Yuasa was appointed by the head office of Matsushita Electric Industrial Company to the presidency of France Matsushita Electric Company which imports the products of the Matsushita from Japan and sells them to French dealers. Since besides a few Japanese the employees of France Matsushita are French, President Yuasa has got many unusual experiences of managing French employees, some of which are described in the following.

On a day after his first half-year of presidency, he presided the presidents' meeting of European Matsushita companies at France Matsushita. He heard a conflict raised after the meeting had been over. The head of Commerce Division, a Japanese, said to his three French subordinates, "Let's clean the board, tables and chairs since this room is to be used again tomorrow." All the followers refused his order saying, "Clearing room is not our business," "We are not paid for cleaning," or "You employ someone if you want to clean them." After around twenty-minutes altercations, the division head finally said, "All right. I will do them." The work took for around one hour. When President Yuasa heard the report from the division head, he learned that the French employee would not do a job not written in the labour contract, they show little interest in the company's business, and the white-collar employees regarded cleaning as an inferior work.

The head of Warehouse Division, a French, had come embarrassed by rheumatism after he passed the age of fifty. President Yuasa wanted to employ a new assistant division head for assisting his work. The head participated in the interview with a good number of applicants. President Yuasa found that the selection attitude between the division head and him was completely different because he stuck to choose less able persons than him. President Yuasa learned from the experience that a French manager would not like to choose an excellent person for his successor candidate because he was afraid of losing his position.

In 1978, a new undergraduate of Paris University was employed and was assigned to Goods Planning Department. President Yuasa soon heard reports from the department head, a French, complaining that the freshman was completely unable to conduct a job. While the president went over the issue, he found that the department head gave a job without

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¹ This story appeared in *Nihon Keizai Shinbun* (a daily financial newspaper) from January 16 to 26, 1984, entitled "A Thick Barrier."

any instruction of how to conduct it. When the president told the department head that he should train him, the department head declined by saying that he was given the job from him and how to practice it fully depends on his own responsibility. President Yuasa learned through the talkings with him that the French manager would not train their followers, they took it for granted that a manager would order to the followers, "Do this, do it," and his followers should be always obedient to him. He also learned that the French manager regarded his followers as the rivals who were always watching around for shatching his position from him.

Since 1977 the import restriction practices of the French government became enforced and the warehouses at the port Le Havre was filled up with goods arrived from Japan. In October of 1982 the French government informed to France Matsushita that the customs clearance would be hereafter conducted at Poitiers. In the customs clearance office of Poitiers, the "Escargot Operation" became in full move, where Japan-made VTR was minutely insepcted one by one. The VTRs of France Matsushita were piled up around the gate of the customs office soon reaching thirty thousand sets and the business of the company met with crisis.

President Yuasa felt that the time had come to tell the full story to the employees. One day, all of the division heads were called in the conference room. After he told frankly the current hard situation the company had, he asked, "Well, our situation is as such. How can we improve the situation?" "What do you think?" The French division heads seemed much embarrassed by the President's questions and said, "It is unbelievable. How to improve them is your business, and when the president asks the employees how to do business means that he gives up his decision making."

President Yuasa again called all of the managers into the conference room another day and explained the hard situation of the business by showing detailed figures. The managers listened to very attentively. Next morning he asked to one of the French division heads about the reaction of the managers on his yesterday's speech. The division head said, "Your speech was wonderful because you used clear figures. Many of the managers understood fully the crisis of this company and began to look for another job outside. They felt unusually lucky that the president openly gave them the good information and chance for leaving." President Yuasa learned from this experience that it would not be a good practice of business in France for the president to give true business information to the employees or to try to collect opinions or suggestions of the followers on business.

The actions taken by President Yuasa or the Japanese division head of Commerce are usually found in a Japanese company but they were hardly acceptable in the French business. These experiences of the Japanese companies are not only collected from France Matsushita but also the similar experiences and learnings are coming from abroad some of which have been published.² However, there are few of information why the Japanese conduct the business management differently from the Western ways. In this article I would like to try to clarify it. It goes without any doubt that every action of the people in an organization ex-

² Some of the good recent reports are published as follows: Wakiyama Shun, *Race for Success in the U.S. Society*, Sangyo Nohritsu Tandai Publishers (Tokyo), 1978; Tashiro Kuh, *European Climate of Personnel Management*, Nihon Keizai Shuppankai (Tokyo), 1981; Kikuchi Seiichi, *Bitter America. The facts of Japanese American Firms*, Nihon Nohritusu Kyohkai (Tokyo), 1982; Yoshikoshi Hidetsugu, *German Society in Business*, Sanshuhsha (Tokyo), 1982.

presses the system of the organization itself. For obtaining a quicker or easier understanding, the method taken here is not to develop a Japanese management system theory but to tell some of the facts concerning working in the shop of Japanese company and how they are managed. Though the names of companies are fictitious here, the documents cited are shown in footnotes.

II. *Working System in Plant*

1. *Heating Furnace Shop, Rolling Steel Bar Works, Keihin Plant, Tokyo Speciality Steel Company*³.

With 2,400 employees, Tokyo Speciality Steel Company is ranked medium-scale steel company in Japan. The company has three plants in which the Keihin plant is the largest. In the Keihin plant, speciality steel is produced with purchased pig iron by adding other materials and from the steel, secondary steel products for factory use are made. The shop described here is the heating furnace shop which is located in the rolling bar works of the Keihin plant.

In the rolling steel bar works, steel plates, stainless steel plates, high heatproof steel plates, steel plates for special tools and other steel materials from the steel mill of another works are carried in and they are classified by a material list book whose size is like a telephone book of large city for arranging to carry them in good order to be heated. The steel materials are then heated by two furnaces and the heated materials are sent to the rolling shop where twenty sets of rolling machines roll them to steel lines with various diameters. The finished steel lines are cut by the cutting shop and are carried to the next works.

While one hundred and forty workers are assigned to the works, sixty of them are on off-the-main line belonging to the shops of power, electricity and maintenance of rolling machines. Eighty-six of the rest of the workers are on the steel processing line. They are organized by two crews working by two shifts rotating by four weeks. While they belong to the Rolling Department, the two crews are headed by a single crew head. The one crew of forty-three workers is composed of four groups: ten workers of the heating furnace group, twelve workers of the rolling group, thirteen workers of the rolling machine operating group and seven workers of the cutting group, each of whose groups is led by a group leader as shown in Fig. 1.

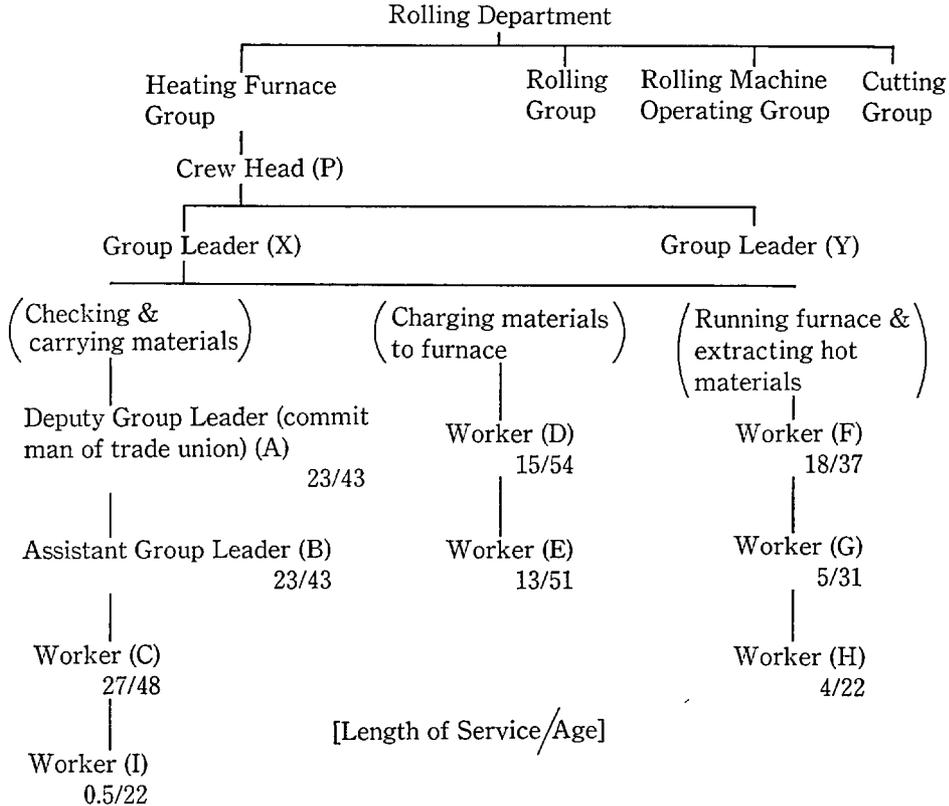
The heating furnace group observed here is composed of the following three groups (see Fig. 1).

The first group. Locating, inspecting and carrying materials: locating materials in a vast yard inside the works, lining up materials by the rolling order list daily delivered from the department, inspecting an individual steel billet (mostly billets are between ninety and one hundred and thirteen millimeters in diameter, four and a half meters in length and around four hundred kilogrammes in weight), and carrying the materials passed to charging pits of the heating furnaces by a crane. The group is composed of five workers including the Group Leader.

The second group. Charging materials to the furnaces: charging the materials carried

³ Nakamura Akira, *People Living in Factory*, Gakuyoh Shoboh (Tokyo), 1982.

FIG. 1. MEMBERSHIP OF THE HEATING FURNACE GROUP



to the two pits of the furnaces by twelve in one set reciprocally. One worker is assigned to each pit.

The third group. Inside of the furnaces is automatically controlled by a panel board of a controllroom to maintain the temperature between 900°C and 1300°C. One worker is assigned to the room. Since the materials are speciality steels and the needed standard of the ingredients inside the metals are very severe, inspite of automatic controlling, one worker has to be assigned to the furnaces inspecting often the inside of the furnaces by opening the pits to adjust flames of the furnaces. The billets satisfactorilly heated are extracted from the furnaces by remote controlling through TV cameras of an operating room. One worker sits inside the room. After the extraction of the billets the heating furnace group completes the work and the billets are carried to rolling machines by the rolling group.

While the members of the heating furnace group are fully shown in Fig 1, the numbers like 15/33 express his age in denominator (33) and his length of company service in numerator (15). In the Japanese factory shop, the traditional worker-ranking in which workers with older ages and much length of services do more skilled jobs have been partially lost and the ranking has more inclined to emphasize their capability of conducting works. The main reasons raised from the following two issues. Firstly, by rapid progress of technology,

younger workers are expected more readily to catch up with the progress. Secondly, formal school education system had changed in 1950 for the first time in seventy years and compulsory school education had extended from six to nine years. Moreover, in thirty years after the change of the school education system the proportion of the graduates of the compulsory school education going further to higher schools has remarkably increased (in 1982, for example, ninety-six per cent of the graduates went to high schools which require more three-year education). Systematic and more knowledges of younger workers with higher education are therefore expected to be much than older workers.

The ranking change of workers so to speak is well expressed in the organization of three groups of the heating furnace group. Firstly, the groups seem organized by large age groups, in which the third group, running furnace and extracting hot materials, is composed of the workers at the ages of twenties and thirties, the first group, inspecting and carrying materials, is occupied by the workers at the ages of forties, and the second group, charging materials to furnaces, consists of the workers at the ages of fifties. This shows that the workers move in the shop from the third to the first group and then from the first to the second group as they get old. There are some evidences for this move, for example, Deputy Group Leader (A) transferred from the third to the first group after he completely trained Worker (G) in the third group and reached forty years old, and Worker (E), fifty-one years old, recently moved from the first to the second group. Secondly, from both difficulty and responsibility of work, the work of the third group is the highest in the heating furnace group and the second group is ranked the lowest. Let us look the third group in Fig. 1. Worker (F) completed a special skill training financed by the company. Worker (G) attended a national university though not graduated. Worker (H) is a graduate of technical high school. There are only two workers with high school education another of whom is Group Leader (X). Concerning the promotion of Worker (X) to the group leader his high school career has had an important effect.

While Worker (A) and Worker (B) of the first group got only nine years of compulsory school education they are given higher positions of Deputy Group Leader or Assistant Group Leader because of their abilities. It is scheduled for Worker (A) to be appointed to a new group leader when the works open the third shift effected by demand increase of market. While the company stipulates the retirement age at fifty-six, the workers nearing retirement gather in the second group. It has been a traditional practice of the company that the workers at retirement are taken care of getting another employment in the company's subsidiary companies.

Worker (I) is a white-collar employee, an engineering staff, employed immediately after university graduation. It has been a long-term practice of the Japanese company that the company assigns all of the white-collar freshmen regardless of professions to the blue-collar work shops as trainees for one or two years. While the company expects them to experience the jobs of blue-collar workers, the blue-collar workers generally regard them as "temporary guests."

An individual worker of the heating furnace group has strong personality. Worker (D), for example, has a nickname of "philosopher" having an established thought not only by experience but also through learning. Worker (F) is a well-read person, Leo Tolstoy is his favorite author and he often cites phrases of "Anna Karenina" in his talk. He is a good saxhorn player too, occasionally playing on stage when invited. While Worker (H)'s favorite

author is Frederic Forsyth, he is a good pingpong player too. Though he was once offered scholarship from the company to enter a university, he refused it and stayed at the shop.

While the work of the heating furnace shop is divided by the foregoing three groups, any of individual worker does not work isolately. This is evidenced by the following practices. Firstly, the work of each group is conducted cooperatively. In the first group, for example, workers have to talk always each other because they have to walk around piles of the materials, inspect them by the list and operate cranes together. In the second group, the two workers must work together for charging materials. They also have to keep close contact with the first and the second groups. In the third group, three operations of operating the furnaces from the panel room, inspecting the inside of the furnaces and handling the furnaces for extracting materials are cyclically shared by three workers during a day.

Secondly, the workers of the heating furnace group have all of the work experiences in the shop. There is a story of how it has come. In 1965 the Total Quality Circle (TQC) movement has emerged in the Japanese manufacturing industries, through which the company intended to promote initiative of workers for improving the quality of their work. The major objects were dual, one of which was to improve the quality of materials and products in production process and another for which was to explore better working and more efficient method of working by workers themselves. Tokyo Speciality Steel Company joined the movement since 1966. One of the weakest process in the heating furnace shop, which had been known for a long period, was the waiting time of heating materials in the furnace. This waiting time was brought about by the following situation. The materials are composed of a good variety of speciality steels which are different of required temperature heated during a fixed time. When the furnace operator extracts one of the materials from the furnace with the required temperature, he sometimes extracts another materials with lower temperature than required. He has to pull them to the furnace again and the workers of the rolling group have to wait the materials heated. The QC circle of the heating furnace group, composed of all the workers in the group, took up this issue of how to cut the waiting time. The workers of the second and the third groups proposed that the first group should rearrange the heating order of the materials against the order list so as to balance the heating hours of materials. The first group was strongly against the proposal because such rearrangements mess up their work. After several months of discussions using many figures and tables, the circle reached a conclusion of rearranging some work of the first group. Another conclusion was more important, however. When the final conclusion came, the workers agreed that all of the workers should experience every work in the shop for better understanding of the situation. The agreement was made in practice after informed to the crew head and the department head.

2. *Furnace Front Shop, Blastfurnace Works, Chuhbu Plant, Kyoto Steel Company*⁴

The foregoing description may have given some rough sketch of the shop of the Japanese company. Let us look further another aspect of the Japanese shop.

Kyoto Steel Company is one of the five largest iron and steel companies in Japan and taken here is a furnace front shop of the blastfurnace shop whose furnace had been built as old as in 1938 and was therefore as small as 1,500 t/day of production capacity, 1,046 m³ of

⁴ Yoneyama Kikuji, *Innovation and Shop Management*, Bokutakusha (Tokyo), 1978.

capacity and six time/day of pig iron extraction. No computerized control system had been equipped with it. A reader may thus have a better example of understanding a traditional shop of the Japanese blue collar workers.

Works of the furnace front shop are composed of the following three operations.

The first operation. Extracting melted scums from the furnace. While the furnace constantly operates for twenty-four hours, scums have to be taken out from the furnace periodically. The scum extraction gate of the furnace is thus open by a stopper and is again closed after blown-out scums are received by hoppers. The hoppers are carried outside by a crane.

The second operation. Extracting melted pig iron. A pig iron exit is opened by an opening machine and is closed again after melted pig iron is received by pans. The pans are carried to the next steel works.

The third operation. Controlling operation. Controlling quantity and timing of charging iron ores, cokes and other adding materials; temperature, humidity, pressure and quantity of blowing heated wind; and process of extracting scums and pig iron.

Chemical reaction raised in blastfurnace has not yet been clarified. Because of this incompleteness, appropriate judgement of the interrelationship of the three variables: the situation inside the furnace, the extraction timing of scums, and the extraction timing of pig iron depends upon the skill of workers which requires experiences of long years. During 1960's much of experiences embodied in skilled workers had been systematically absorbed by education and training programmes and the training period has thus substantially decreased but even now the skill requirement for the third operation still needs working practices for ten years at the shortest.

The front furnace work is operated by three shifts and the one shift crew is taken here. The crew is composed of ten workers: one Crew Head, one Group Leader and eight workers. Of the eight workers, one is appointed as the Deputy Group Leader. Of them, two workers are excluded from the operation, one of whom is the relief man for an absentee and another of whom is the delivery man who continues the work from his own crew to the next when required. While the Group Leader leads the whole process of the work, three workers conduct the extraction of scums and another three workers deal with the extraction of pig iron. Eight workers including the two reserved fully change all the works in turn. The Crew Head conducts the third operation by himself.

TABLE 1. MEMBERSHIP OF THE FRONT FURNACE SHOP

Membership Order	Age	Year Length of Service	Year Length of Blastfurnace Working	Year Length of Formal School Education
Crew Head (A)	49	24	24	6
Group Leader (B) Deputy	49	27	18	8
Group Leader (C)	50	29	29	8
Worker (D)	48	25	20	8
Worker (E)	48	20	14	8
Worker (F)	42	15	10	12
Worker (G)	36	14	7	12
Worker (H)	43	13	2	9
Worker (I)	31	2	2	12

Table 1 shows the membership of the crew. While the membership order in the table shows the ranking of an individual worker in the crew evaluated by work competence and cooperativity with other workers, every worker knows the ranking. This ranking determines wage rate increase and promotion order. For placing employees in the organization the company has established the qualification system (*Shikaku Seido*) in which positions of white-collar and blue-collar employees are all included together. The reason why white-collar and blue-collar employees are classified by one common qualification table has been brought about the rise of formal school educational attainment of blue-collar workers in whom many of youngers are high school graduates (twelve years of educational attainments).

The highest employee qualification of the system is called the *Riji* which is qualified to have the position of division head, and down from it, the *Sanji* is qualified to have the position of department head, the *Fuku-Sanji*, section chief, the *Shuji*, crew head, and the *Shutantoh*, group leader. Descending from the *Shutantoh*, the Employee First Class is equivalent to senior workers (blue-collar workers) and to the freshman of university graduates (white-collar employees), the Employee Second Class is equivalent to intermediate workers (blue-collar workers) and to some experienced employees with high school education (white-collar employees), and the Employee Third Class is applied to junior workers (blue-collar workers) and to the freshman of high school graduates (white-collar employees).

While the qualification ranking is one of the determinant variable of the membership order, the determinant variables of the qualification itself vary with the shop. In an old shop like the front furnace shop of the blastfurnace works, we see in Table 1 that the membership order corresponds to the length of company service and especially to the length of experience of working with blastfurnace rather than the ages, expressing the traditional evaluation method applied to employees of the Japanese company. In the crew, however, even the youngest worker is already at the age of thirty-one, and it means that younger workers are assigned to other newer furnaces, not to such an old one.

Wage rate of the employees is composed of the two parts, the base wage rate and the job-based rate, the former of which occupies on an average seventy per cent of the total wage rate. While the base wage rate is determined by the qualification of the employees, the determinant factors of the base wage rates are two, one of which is the competence of the employees and another, their personal attribute. The personal attributes considered are age, formal school career, length of company service and sex which are negotiated by trade union about which amounts should be distributed to an individual component and the separate tables are assigned to the rate of each component through the negotiation. The job-based wage rate, which occupies around thirty per cent of the total wage rate, is determined by job evaluation method. Under the method, for example, the job of the group leader of the furnace front shop is ranked the twenty-second class and the job of the front furnace work is classified to the eighteenth class. Each employee is thus paid the job-based wage rate corresponding to the class regardless of their personal attributes. In addition to the wage rate there is the next important wage component whose paid amount is equivalent to around forty per cent of the total wage rate. It is the group efficiency allowance, the sum of which is paid to the group of workers in a shop when the shop produces the amount more than the standard or saves the cost less than predetermined. Each member of the group receives his own share from the sum based on his wage rate.

3. *Summary of the Two Shops Observed*

From the foregoing observation the following two issues should be especially noted. In the first place, it is noted that the Japanese company has tried to deal with white-collar employees and blue-collar workers as equal as possible. The qualification system and the wage rate determination method shown in the case of Kyoto Steel Company gives a good example. Working hours, vacation and fringe benefit system are equally provided to all the employees too.

Secondly, Multiplication of work experience of the employees has remarkably developed throughout the shops. In the heating furnace group of Tokyo Speciality Steel Company we saw that the multiplication has been determined by voluntary decision of the workers seventeen years ago. In Kyoto Steel Company the education and training system of the company has helped to develop the multiplication. The key answer to the question of what is the aim of the workers or the company to develop the multiplication is that they want to build a shop as team-working shop. The group efficiency-allowance system of Kyoto Steel Company also has contributed to develop such a team work shop.

4. *Extending Observation to Other Shops*

While in the foregoing observation two shops in the steel industry are chosen, such a team working of the shop is not confined to a single industry but is observed throughout the current shops of the Japanese company. We will extend our observation a little further to other industries.⁵

In a trim assembly shop of a passenger car assembly plant of Fukuoka Motors Company five working groups are organized under one crew head. The first group; preparing work (seven workers), the second group; staffing pads (two workers), engine room (two workers) and wiper motor (two workers), the third group; weather strip of trunk room (two workers), trunk locking (two workers) and weather strip of windows (the workers), the fourth group; headlining (ten workers), and the fifth group: bumper (two workers). The length of the belt conveyor line assigned to the group is seventy meters and the belt moves one car by one and a half minutes on tact time. Workers conduct their jobs by a pair cooperating each other through close conversation on the line and all the workers in the group change their work by the turn of three months at the longest. While the members of the first group are composed of the workers with the highest skills whose main work is fitting, they are always prepared to help any of the works on the line as relief men when the conveyor line starts.

In a cassette taperecorder assembly shop of Sendai Electric Appliance Company, fifty workers work forming a horizontal line along a U-type belt conveyor. While three groups are organized, each group is led by a group leader and one crew head supervises three groups. The first group assembles electrical parts, the second group assembles mechanical parts and the third group conducts packing. An individual work in the shop is regarded as a simple work mastered by around two months. The workers change their work by one month in their own group.

While the group leaders work on the line they are responsible of calling their own group meetings three times a day: before the starting time, during lunch break and after the end of work, and promote the Quality Circle meeting of the group met by once every week.

⁵ The following examples are described in the publication of the same author of the previous footnote.

The crew head meets an individual worker in the shop once by three months for helping to solve personal problems and for developing team working of the shop besides his own work of supervising the groups and of liaisoning with other crews.

By the foregoing additional observation it may have come clearer that the shops of the Japanese company are organized as working by team. While such a team working has recently come to appear on TV programmes in foreign countries more frequently, many of the Westerners observing them are embarrassed by that team working, and some of them say that the Japanese workers are slaves forced to work or are prisoners working in a jail factory. Mixing up the team working with slave labour may come from latent psychology of the Western intellectuals that forming group or acting as group are not a virtue of the human being in the modern age because the independence of an individual is hampered by such a group action. In Japan, an individual worker in the shop is of course independent and has strong personality of keeping up his own life, some of whose evidences have been described in the heating furnace shop of Tokyo Speciality Steel Company. There has been a long history since the end of the World War II that the management has made every effort to form and develop the team working throughout the shops often failing and to get cooperation from trade unionism.

Secondly, While the Japanese management has tried to form voluntary team working in the shop for long years, the same efforts have recently come to be observed in the Western world too. Since 1960's, for example, a stormy drive of the "Quality of Working Life" emerged in the U.S.A. and Europe where forming team-working has been tried. Since 1960's too, in Norway, through the joint project of the government, the management organization and the trade union, a theory of the "semi-autonomous working group" has emerged through a good number of experiments. In Volvo and other prominent companies of Sweden, many of experiments on forming voluntary team-working group have been pursued. These recent efforts in the Western world have the same quality of efforts the Japanese company had made earlier than the Western world.

III. *Training Method of Managers*

While in the foregoing description of the four shops, it is observed that the supervisor of the shops is the crew head, the crew head is managed by the managers of the department head. We will turn here our eyes to the managers. In the Japanese company the traditional positions assigned to the managers are the division head who manages functional or staff divisions and the department head who manages the subordinate department in the division. While the division head manages the department heads, the key position of the managers in the Japanese company is the department head who is the immediate manager to the end of the organization, the shop. In Fig. 1 we see the department head of the rolling department directly managing one hundred and forty-six workers of the four crews.

In order to observe the role of managers in the Japanese company, an indirect way of observing how they are trained is chosen here because the reader may easily obtain a general picture of the behavior of Japanese manager.

1. *Managers Training in Osaka Motors Company*⁶

While Osaka Motors Company is ranked middle in eleven Japanese automobile manufacturing companies, having twelve thousand employees, the company has annually trained several tens of the department heads in its one-year training course. While the similar trainings are offered to the division heads, the senior white-collar employees, the crew heads and the group leaders by systematic courses, the training of the department heads has been the severest.

The one-year training course of the managers is composed of eight rounds of the off-the-job training each of which spends two days with one night's stay and the on-the-job training throughout the year. The aim of the training is dual, to encourage the managers to recognize again that their role is to build and develop cooperative work group and to establish effective management on the group is the one, and to brush up the skill to play their role is another. The off-the-job training is composed of the following five curricula. In the first curriculum, relaxed meetings with the president and vice-presidents are planned. While the top-management talks about his experiences, his management thought and his perspective of the company's business in the meeting, free discussions turn around the participants continuing through lunch break. In the second curriculum, the participants take one-day visit to the management of other companies. They discuss with them after a short plant visit. In the third curriculum, the managers brush up the basic knowledges necessary for managers and to learn new practices. The division heads of the finance, purchasing, technology, personnel and industrial relations, production, securing quality and sales divisions give lectures and the participants discuss the issues. In the fourth curriculum, the participants are required to read a variety of books not directly concerning the business. While the issues have recently centered around culture and international relations, the participants have to discuss the issue proposed by the instructor at the meeting.

The most emphasized curriculum of the off-the-job training is in the fifth, that is, bringing up effective management. The later half of the training term is devoted to complete this curriculum through the following three steps. In the first step, the managers have to distribute a questionnaire sheet designed by the training department to their all subordinates asking them to write in the answers anonymously. Though the forms of the questions are made different every year, the main issue centers around the same following four: self evaluation of his ability to his work, his attitude to the work, evaluation on the culture and custom of his shop, and evaluating his manager's leadership. Each issue contains ten questions.

Immediately after collecting answers, the manager and his staff sum up them and study the answers. He has to focus his attention on the answers with lower score, to study the problems inside and to explore what it should be done. While the aim of the training at this step is to stimulate the manager looking inside the shop under their command on one side, and is to bring up the ability of solving immediate problems the manager meets on another side. In fact, eighty per cent of the problems found have the quality which the manager can solve at once. The manager is then asked to explore the method to prevent that the problems do not emerge again. For solving another fifteen per cent of the problems found, the manager has to ask the help of his division head or to discuss with other managers. For solving the

⁶ Mori Jun-ichi, "Work and People in the Japanese-style Management," Tsuda Masumi ed., *Contemporary Japanese-style Management System*, Yuhkikaku (Tokyo), 1982.

five per cent of the rest of the problems, the manager has to write up them to the top management. The foregoing immediate actions taken up by the manager are informed to his subordinates, which are expected to develop cooperative working of the manager with his subordinates.

In the second step, the managers are asked to write in a questionnaire sheet to himself distributed by the training department at the same time when they distribute the foregoing questionnaire sheet to his subordinates. The questionnaires they get have the similar nature with the questions to their subordinates concerning the issue of evaluating the manager's leadership, in which they are asked how they think they are evaluated by their subordinates on their leadership. After the manager collects the answers of his subordinates he compares the answers of the issue with his answers. The outcome of the score usually gives a striking shock on the manager because the difference between them is great. It implies that the subordinates do not usually share the view on his leadership with him. The training department requires the manager to report the outcome to his division head and asks him to get his advice for balancing the gap.

The managers participants are asked to submit all the documents to the training department, including the answers of the subordinates to the questions, his action report on solving the problems found, the answers to the questions to the managers, the outcome of the difference on the issue of their leadership, and the advices given by the division heads. After the training department makes copies of them, at the next off-the-job meeting all of the copies of the documents are distributed to the participants and are discussed. The discussion especially focus the issue of how the manager can bridge over the gap of the evaluation on leadership between the manager and his subordinates.

In the third step, after the meeting is over, the managers are asked to write their three-year term of action programme concerning their management learned by the foregoing two steps. This action programme is to complete after their plans are informed, discussed and the instructors give the final advices at the next off-the-job meeting. On the final day of the meeting, an individual manager explains his action plan completed on the presence of the president, directors and division heads who say something about it. After the training is over, the training department has the responsibility for overseeing the further practice of the manager's programmes.

2. *Managers Training in Yokohama Chemical Company*⁷

Yokohama Chemical Company produces chemical materials in its five plants having four thousand employees, establishing a couple of plants in Europe as well. While the aim and curricula of its managers' training system are almost the same as Osaka Motors Company, the training method taken for the fifth curriculum, bringing up effective management, is different, on which our observation will focus in the following.

After discussing with the training department, an individual manager under training chooses three weeks of his normal work (the work continues during a week without unusual or unforeseen affairs) between April and August, one by one week separately by substantial intervals. He is asked to write in the sheets given by the training department all the actions and

⁷ Nakajima Ryohsuke, "Advent of the Job Redesign Era," Tsuda Masumi ed., *Contemporary Personnel Management and Industrial Relations*, Yuhikaku (Tokyo), 1982.

the time consumed to them one by one during his working hours of the day. He has to continue it during his five working days in a week, repeating for the three weeks. All the actions including conversation by telephone or standing talk on a road on business should be written in. All of the sheets are collected by the training department by the beginning of September.

While the training department duplicates copies of all the sheets, its staff studies an individual action of the participating managers and compares them with the work classification list already prepared, and renews the list covering all the work of the participants. At the off-the-job training meeting in September, the managers are individually asked on the table to classify their individual actions in the three weeks by the work classification list prepared by the training department, counting the hours consumed to the work as well. His actions during the three weeks are, therefore, finally composed of the groups of the works by the work classification list with the proportion of the time spent to the works in the total hours. After the copies of the outcome are distributed to all the managers, an individual participant explains his outcome and one by one the discussion is conducted. The discussion is led by the instructors to focus the management actions of what work he did, how he acted, which proportion of hours he spent to, and how his actions were effective. During the discussion it is always emphasized that the manager has to spend as much hours as possible to management action.

By the way, in many of the Japanese companies the method of the management by goal has been practiced, which is necessary to refer to here. While the method itself had been originally imported from the U.S.A., the practice has been completely changed by the Japanese management as in the following. In the first place, to the due date of the end of October, an individual department head is annually asked to produce the business goal of his department to attain in the next year and the action programme for it including the action plans with cost. He talks them with his subordinates before he completes them. After the department head submits them to his division head, the division head in turn reviews them with the managers and then discusses them with other division heads on the actions lying across divisions. After the division head completes to produce the goal and action programme of his own division he submits them to the board of directors. From the end of November the board of directors begins to discuss the next-year management goal based on the documents of the division heads. While they discuss, the top management of the president and vice-presidents also consider the next-year business goal not necessarily sticking to the programmes submitted by the subordinate organizations.

In the second place, the president expresses the business goal of the new year to the employees on the New Year's Day. While the president shows only the business goal of the year, the goal determined by himself is not necessarily a compromise between the goals produced by the division heads. After the goal of the top management is informed, therefore, the division heads are required to renew the goal and action programme of their own divisions for attaining the goal informed. Again, the direction of reviews goes in reverse. After they produce the goal and action programmes of the divisions, the department heads divide the goal of the division and form their own goal of the departments.

In Yokohama Chemical Company, the method of the management by goal has been practiced since 1965 and the managers training has tried to enforce the practice. The practice is applied to the next meeting of the managers' training. At the meeting the individual action sheets of three weeks of the managers are again used in the following manner. An individual

manager faces a large sheet of a matrix table on a desk separately, in whose horizontal line the issues of the works he himself classified in the previous training are to be written and in whose vertical column the goal and actions programmed of his department are to be listed. The manager is asked to place his individual action sheets in the boxes of the matrix table after examining whether the action fits to the box. It is often found that the manager cannot find a box fitted to his action unless placing it outside of the column. When the work is completed, discussion begins by the participants picking up the matrix table one by one. The discussion especially focus whether his daily actions hit the action programme previously planned. Sometimes the discussions go further to examine whether the goal and action programme he produced at the beginning of the year is fully practical. Another important issue of the discussion is to examine whether he is playing the managerial role on practicing the action programme.

After the discussion is over, an individual manager is asked to renew the action programme of his department so that his daily action can hit the programme. Through his review he may cut some unnecessary actions, may delegate some actions to the subordinates or may add some new actions hit to attain the goal. On the final day of the training course an individual participant explains his new action programme at the meeting attended by the president, directors and division heads who give some comments to the programme. The managers are asked to follow the new programmes after the training course is over and the training department is responsible for following up them.

IV. *Conclusion*

The four of the heating furnace shop, Tokyo Speciality Steel Company, the furnace front shop, Kyoto Steel Company, The trim shop, Fukuoka Motors Company and the cassette taperecorder assembly shop, Sendai Electric Appliance Company are the factory shops, whose common characteristics are defined as the team work group. Those team work groups are integrated by the manager and his staff. We have then observed the training courses of the managers in the examples of Osaka Motors Company and Yokohama Chemical Company concerning how their managership is brought up. We observe that those trainings are not confined to obtain new technics or to brush up skills but centered around to train the management skill for building and develop cooperative working group and for practicing effective management as well.

From the foregoing observations we will be able to bring out the following two key issues of the Japanese management system. In the first place, it is aimed in the Japanese company that all the shops are formed to the team work shop which is led by the group leader, the crew head and is finally integrated by the department head. While the group leaders, the crew heads and the department heads also form their own team work groups, we see, in the case of the department heads, that in the training course they know the work of other department heads, and that in the training course they know the work of other department heads in the company and can discuss the work of them together. As shown in Fig. 2, the practical shape of the organization of the Japanese company is therefore "a chain of the cooperative work groups" from the bottom to the top or from the top to the end. While it is one of the evidences of the chain that in the training course enforcing cooperative

FIG. 2. A CHAIN OF COOPERATIVE WORK GROUPS

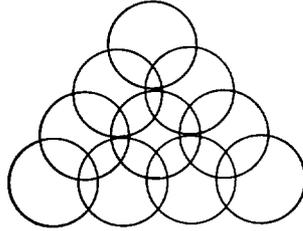
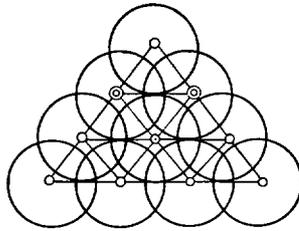


FIG. 3. MANAGERIAL LEADERSHIP THROUGH THE CHAIN



working relationship between the department head and his subordinates is emphasized, it will be another evidence that the group or the mass discussions of the participants are emphasized throughout the training course.

The policy of personnel management of the Japanese company strongly emphasizes to keep up the chain of cooperative working. One of the evidence is the qualification system (Shikaku Seido) by which all the white-collar and blue-collar employees are integrated into one common system. While we see an example of the system in Kyoto Steel Company, the system spreads in nearly all of the large companies.⁸ Wage rates, working hours, fringe benefits and welfare system are also equally applied to all the white-collar and blue-collar employees by the common rules. Those policies have undoubtedly enforce the chain.

The management method of the Japanese company is again designed to support the chain of the cooperative work groups throughout the company. The method of the management by goal has also remarkably spread in the Japanese company, for example, because the idea fits to the Japanese management system. The importance of the method there is that the goal determined by the top management is shared by the end of the organization, the shop. The goal thus plays an important role of keeping up the chain.

In the second place, even though the cooperative groups are connected by some chains, the chains may be cut by actions of voluntary actions of working groups and a critical situation of anarchy may raise by wilful actions of them if their actions are well organized. For leading the groups toward the business goal, therefore, effective managerial actions are needed. As Fig. 3 shows, the managers in the Japanese company are expected to conduct managerial action to lead the subordinate groups toward attaining the goals of their own departments and the divisions playing the role of the "linking pin" as noted by Rensis Likert.⁹

⁸ In 1980, for example, 84.6 per cent of the companies having more than 5,000 employees had the system. Ministry of Labour, "Survey on Employment Management," 1980.

⁹ Rensis Likert, *The Human Organization: Its Management and Value*, McGraw-Hill (New York), 1967.

The leadership of the managers emphasized in the Japanese company is not similar with the directorship which President Yuasa learned from the experiences in France Matsushita Company since the directorship learned there is to order "Do this and do that." In the Japanese company the managers are expected to play the dual roles of managerial actions, in one role on furthering voluntary action of cooperative working of the subordinates, and in another role on leading the actions of the cooperative work groups toward achieving the goal.

Recently from the Western world some blame or anger have reached the Japanese company telling that the Japanese company has come to embarrass the Western world by importing new technology from the world and by exporting the imitation products with cheaper price to the world. It had been true immediately after the World War II that the Japanese company made every effort to import many of the newest technology from the Western world in order to catch up industrial and managerial progress of the Western advanced area. However, the one issue has not definitely been imported from the Western world, that is, the philosophy of the business organization. Based on its own philosophy, the Japanese company has explored by itself the management system as human organization and develop it through the two methods: forming a chain of the cooperative work groups and bringing up effective managerial leadership. It is a good evidence that President Yuasa was embarrassed by a complete different management system of the Western world, French system, and moreover, he got many experiences there but the experiences did not lead him to follow the Western system.

This article intends to describe an introductory note of the Japanese management system to whom he knows nothing about it. The full contents of the chain of the cooperative work groups are therefore not the matter of the aim of this article. For one thing, however, let me pick up a picture of the workers in the plants of British Ford Motor Company which Huw Beynon has drawn.¹⁰ Beynon frequently cites the following opinions of the British workers in his book, "Job is either completely dull and monotonous or dull most of the time," "I work for money. That is what it is all about," and "I know we all go on a lot about not buying Fords but I think that's because it is Ford that we are to do with." Beynon says that few Ford workers are proud of the fact they produce Ford motor cars. When Beynon visits one of the plants of the Japanese company he will collect completely reverse words from Japanese workers if he follows the facts.

There is another comment on what is going in the Japanese company, a British employee working in the head office of Kobe Steel Company describes his office, "Many of the British visitors say to me that the Japanese are workaholic, but I ask them to change their shallow impression. They are not workaholic but they devote themselves to the job. They like to work in the company. For one thing, they always think the good for the shop not the good for himself. This seems an amazing human quality to me."¹¹

¹⁰ Huw, Beynon, *Working For Ford*, Allen Lane, Penguin Education (London), 1973.

¹¹ Seshita Keisuke, *Foreigner Employees*, TBS Britanica (Tokyo), 1983.