

CHARACTERISTICS OF MANAGEMENT IN JAPANESE ENTERPRISE

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I. *Prewar Characteristics*

(1) In European countries, industrial development based on the adoption of modern productive processes and techniques has been accompanied by social changes of revolutionary nature which paved the way for the emergence of modern society, but industrialization in Japan took a different course. That is to say, the industrialization was carried out without sufficient elimination of feudalistic elements, or under the traditional social structure.

The Meiji Restoration, no doubt, brought about drastic political and social changes, but even so it failed to dissolve completely the pre-modern social structure and therefore, was not accompanied by social confusion. However, the restoration created politico-social conditions for industrialization by developing a form of modern state—although it was rather an absolutistic one. The industrialization took a peculiar pattern of development as it was combined with the pre-modern elements remaining at the root of Japan's social structure.

In other words, the industrialization in Japan was effected under the traditional social system, in parallel with the system and in combination with it. By this way, the industrialization made such a smooth progress that was unparalleled in world history, and was carried out, as is a well-known fact, at an extremely rapid pace.

The successful industrialization in Japan may be attributed to the modern productive techniques, to the paternalistic cooperationism which characterizes the pre-modern social structure and to the nationalistic enthusiasm to catch up with the advanced nations.

(2) The fact that modern industry developed under the traditional system means that the pre-modern social institution and concepts founded in the traditional agriculture was carried over and applied to industrial management and labor.

Far from being destroyed, as it was in Europe, Japanese paternalism in the old family system was rather harmonized with modern techniques and was powerfully utilized in developing them.

Thus paternalism has constituted the social characteristics of Japanese management and gave rise to the idea that the company is a family. Under this concept, which underlies Japanese management and labor, the enterprise represents a

family; the leader of the enterprise, the head of the family; and the employees, the members of the family.

One of the two outstanding features of paternalism is cooperationism and the other is authoritarianism. The former is of a benevolent nature. The authoritarianism here is based on the principle of maintaining order by absolute authority, and takes the form of despotism whenever the benevolent cooperationism fails to work. The leader of an enterprise dealt with his employees with authority comparable to that of the head of a family or clan. As the head of the family, the manager bore heavy responsibilities for the laborers. He planned various welfare institutions for his workers and formed his management policies with a view toward executing these plans. In managing the enterprise, he met his employees face to face every day to maintain close personal touch with them, and also he cultivated mutual understanding through the loyal assistant staff. The employees, on the other hand, faithfully obeyed the manager, suppressing their ego and putting their fate in the hands of the manager.

Although this family system was of pre-modern nature, it was instrumental in establishing cooperative relations between the manager and the employees and served as one of the foundations for smooth progress of Japanese industrialization.

However, when authoritarianism, the other aspect of paternalism, took the form of despotism, the inconsistencies of industrialization by paternalism was bound to come to the fore.

(3) The Meiji Restoration resulted in the formation of a modern state of Japan. This process was made possible by the absolutistic state control. The nationalism became the guiding spirit of the people in general and powerfully controlled the behavior of management and labor in enterprise. Enterprise was based on the capitalistic system and had as its direct objective the pursuit of profits on capital, but this was so as far as it coincided with the object of the state. Thus, the object of the state became an impelling motive of industrialization. The managers worked not only for his own profit but also for the object of the state to overtake the advanced nations in industrialization. This lessened the laborer's resistance to authoritarianism.

This intense nationalism constituted a motive-factor in the extremely rapid development of industrialization. Although competition also constituted a factor in promoting industrialization in Japan as in other countries, the Japanese industrial revolution failed to bring about a complete free economy. Therefore, the object of the state constituted a stronger factor than free competition did in promoting industrialization. The nationalism caused the government to take positive protective policies of industrialization in order to achieve the object of the state. And the government fostered the Zaibatsu in the hope of concentrating capital by it to be able to accelerate large scale industrialization. Although the modernization of production processes of consumers goods, including the spinning industry, progressed independently and gave an impetus to industrial

revolution, the modernization of basic and heavy industries developed under Government protection and concentration of Zaibatsu capital. There were scattered over the country numerous smaller enterprises but at the same time an extremely high degree of concentration of enterprises took place under the Zaibatsu capitalistic system. Thus, the Japanese enterprise was characterized by the two contrasting features of centralization and decentralization. It is noteworthy that the centralized capital of the Zaibatsu on the other hand ingeniously mobilized scattered smaller enterprises around itself.

This concentration played a decisive role in the industrialization of Japan, through the process of state control, centralization of Zaibatsu capital and finally mobilization of smaller enterprises.

II. *Postwar Change*

The structure of Japanese industry underwent a marked change after World War II.

Japan's surrender in World War II and the subsequent Allied occupation brought about a democratic reform in various phases, such as political, economic and social. This reform gave a serious shake towards paternalism, nationalism and capital concentration which formed the basis of Japanese industrialism before and during the war. It dampened the old guiding spirits in the world of labor and management.

(1) The economic concentration by the Zaibatsu in Japan ended with its dissolution by the Allied occupation forces. The Anti-Monopoly Law which was enacted soon after the war put an end to monopolistic concentration of capital, while the Government control and aid for industries were discontinued. Thus dawned the era of free economy in Japan and free competition which replaced the trend of capital concentration came to lead the way toward development of industrialization.

Although free economy gave rise to the problem of excessive competition in Japan today, it must be noted that it gave much impressive contribution to the dynamic development of the Japanese industry after the war.

(2) Ultra-nationalism lost its influence on Japan's labor and management completely after the war. Industries liberated from the yoke of Government control and interference got their independence and began to seek profits freely under the banner of free economy.

There arose, at the same time, a question of what should be the new guiding spirit of the enterprises of today and what responsibility they should bear to the society. What relationship the Government and industries should maintain also has come to be debated actively.

(3) Laborers came to acquire an equal footing with their employers. They are now allowed to form trade unions to maintain their independence and protect

their interests. Postwar democratization progressed most actively in the field of labor and, as a result, a great change has come to the relations between labor and management. The trade union thus formed has now become an undeniably big force in the development of industrialization after the war.

(4) Such a remarkable development of trade unions dealt a crushing blow to the management based on paternalism. Paternalism with its authoritative and dictatorial trends met with stiff resistance by trade unions. Its favoritism was also opposed because it went counter to the independence of laborers. The cooperative effect of paternalism was doomed to extinction. This, it can be assumed, is the very reason why labor and management in postwar Japan lack mutual collaboration and harmony.

Japanese enterprises, however, are now trying earnestly to learn and adopt the principles and techniques of the management that developed in the United States. Such efforts, it can be said, indicate their earnest wish to find new guiding spirits and techniques that will replace paternalism.

(5) The democratic reform that took place in Japan after the war led the management to a big turning-point as stated above. The reform, however, did not democratize completely all phases of Japanese society because it was one initiated from outside, that is, by occupation authorities. Therefore, there still remain not a little prewar trends and tendencies in some phases.

Such trends and tendencies do remain in the world of business. However, new ideas and principles are exerting great influences on labor and management gradually but steadily. Such a change means a change to paternalism itself, while prewar industries developed through harmonization of modern production techniques with paternalism.

Paternalism which harmonized with production techniques before the war has now been vanishing the reason of its existence practically because its cooperative effect has lost its significance. This is nothing but the result of the aforesaid democratic reform.

Further, the question arises as to whether the present production techniques, now in a stage of innovation or on the road to automation, will harmonize with a paternalistic form of management. The answer seems to be no.

Paternalistic management existed under paternalistic personal leadership. There was, therefore, no management in the true sense of the term nor was there any concern about it. The old personal leadership has now proved to be utterly inadequate for meeting the latest technical innovation and expansion of the scale of enterprise. Thus a new principle of business management has come to be sought.

This is the second reason why increasing study and adoption of the new principles and techniques of management are being made in Japan. Such efforts are being made under the slogan "to modernize management to cope with the modernization of industrial equipment."

III. *Characteristics of Management and Labor in Japan's Enterprises*

The management of enterprises in Japan has such characteristics as mentioned already. A concrete explanation will be made hereunder on this point.

(1) In Japan's enterprises conspicuous features can be found in respect to the relation between the enterprise and employees. It may be said the relation between them is marked by a lifetime commitment, so to speak, in which something like permanent employment is furnished.

That is to say, Japanese employees serve with the same company until they reach the age of retirement—usually 55 years—once they have been hired there. They do not leave the enterprise where they have obtained employment first, even if they may feel discontented or have chances to change their job. In other words, they stick to the same company until they reach the age of retirement once they have joined it unless something extraordinary happens. On the other hand, the firm continues to employ persons up to such age-limit after it has taken them into its service even if it is found later that they are incompetent or there are no longer works suitable to them. They are dismissed only in special cases where, for example, they commit penal offenses or the company is thrown into a dangerous position financially or otherwise.

In the American industrial world persons freely choose their work places and join any company they like and they would move to other ones where better working conditions are offered. In the meantime, the enterprise engages employees from the viewpoint of its work and therefore it fires them in case there are no longer jobs suitable for them. In America, contracts of employment are concluded between employers and employees at their free will.

In Japan, too, the relation between the employer and employee is based on the contract of employment as a matter of form, but actually a different relation as referred to above exists between them. There are still quite a number of companies which demand the submission of written pledges by new employees when they take the latter into their services. An investigation in 1952 concerning 375 companies in the Kanto District belonging to the Kanto Management Association revealed that about two-thirds of them got written pledges from new employees.

An employee is regarded as a member of the enterprise in the same sense that he is a member of his family, and an employee is treated actually as such. (2) The employment of an individual by the enterprise means to the latter the engagement of a person who will become a member of the enterprise and share the fate with it. The enterprise does not intend to secure the skill of an individual, but rather employs a man himself or woman herself without due regard to his or her merits. Of course, the enterprise is not considered to employ its personnel entirely independently of its work, but the relation of the employment of a person to his work is merely general.

It is the practice among Japan's enterprises to employ each year university

and high school graduates by fixing numbers respectively and to employ new graduates on the basis of school records and personality. Thus, in engaging new personnel, importance is attached to personality rather than on skill.

(3) The life in the work place of those who have joined a company is not differentiated from their private life. In American enterprises a sharp line is drawn between the private life of employees and their life in the work place. But in Japan employees are lifetime members of the enterprise and their fate is directly related to that of the enterprise. It, therefore, looks after the private life of employees, undertaking even the cultural education of their wives.

(4) As regards wages, too, there can be seen apparent features.

In American enterprises, wages are connected with the work itself and further with the prosecution of work. However, in Japan the basis of wages is the educational background (or the kinds of school from which employees were graduated), ages, the length of employees' services, etc. In addition to wages, there are various allowances, but most of them have no relation to the employees' efficient prosecution of work—the family allowance may be mentioned as one of such allowances. Accordingly, wages do not serve as an incentive to work, but the loyalty to the company and the passion for work lead employees to perform their duties. It may be interpreted that wages are not paid according to the duties and efficiency of the employees but that wages mean to a considerable extent rewards for the employees' loyalty to the company.

(5) Meanwhile, since those working for enterprises are permanent employees, their treatment is an important question. To give satisfactory treatment to the employees, various administrative positions are created, with the result that, in some extreme cases, one in every three employees hold some kind of administrative title.

These administrative positions are made not necessarily to meet the need for the prosecution of work, but they are established in many cases rather to give better treatment to employees for the purpose of keeping up or heightening the morale of the employees. Once such a practice is set up, the administrative rank in the company will certainly increase, and the ranks from the president to ordinary workers are divided into nine in some cases. There the paternalistic hierarchy is constituted.

The responsibility and authority in each position are not prescribed clearly. Under the present system the chief executive of the enterprise is charged with all responsibilities and those in other positions exercise only such functions as to assist the chief executive, the responsibility and authority of each position being quite vague.

The president of the enterprise can make a perfect one-man control, if he exercises fully the almighty power in his hand, but in many enterprises the great power of the chief has become nominal and actually the group of executive officials concerned makes decisions.

The decision is made on the basis of collective views by such a method as "ringi" (or consideration by a circular) or by meetings. In the case of "ringi",

matters for consideration are described in a certain form and circularized among persons concerned for deliberation and decision.

Such a practice is followed deliberately so as to leave vague the responsibility and authority of individual persons and to allow the collective body of personnel to decide matters directly. The idea to clarify the responsibility and authority of an individual person is rejected for the reason that it would worsen the personal relationship in a company. If the responsibilities of individual persons were clarified, the situation of an individual becomes often very delicate, and he will suffer a fatal blow under the system of permanent employment. In adoption of the management method, it is, therefore, intended consciously to avoid the occurrence of such incidents.

(6) As regards the management of an enterprise with permanent employees, importance is attached particularly to harmony or cooperation, and in prewar years all enterprises in Japan regarded "harmony" as their basic policy. The management philosophy of harmony, "Wa", is the fundamental feature of the enterprise management of Japan.

Such management philosophy was carried through even at the sacrifice of efficiency in operations. It may be presumed that by introduction of management method based on "harmony", the cooperative conduct among the personnel was expected to produce satisfactory results which would more than cover the sacrifice of individual efficiency in operations.

Attention should be paid to the fact that "harmony" was preserved by paternalistic means. The personal relationship resting on cooperative spirits was engendered in the atmosphere of paternalism. Furthermore, there exists a difference in status and rank.

The administrative position itself referred to above was given to employees as a token of betterment of treatment and it was become a sign of status in the company. Apart from this, there was the proper personal status system.

In the factory, the physical laborer was given the status of factory hand, "koin", while clerical and administrative workers were given the status of staff members, "shokuin", and their treatment was differed.

This system was abolished by one company after another with the growth of labor unions after the war's end. But, as a result of the investigation mentioned above, it is known that 33 per cent of enterprises still maintain the said personal status system.

Further, in prewar years there was a system under which employees were classified by the length of their services and others into a number of ranks, and wages and other treatments were varied according to these ranks. This system, too, was done away with by one enterprise after another subsequent to the war's end, but according again to the above mentioned investigation, enterprises which still maintain this system in respect to factory hands (or physical laborers) are 35 per cent of the total enterprises while those keeping it in respect to staff members are 41 per cent.

(7) The feature of Japan's business management was represented by the permanent employment system with the paternalistic background as has been explained. Under this system an enterprise exists for itself and employees are, as members of enterprise, united with the enterprise in one body. Thus, the relationship that capital and labor or the employer and employees stand against each other apart from enterprise is obscure.

This fact is reflected plainly in the ambiguous status of the foreman in Japan's enterprise. The foreman of such a pattern as seen in America cannot be found in enterprises of this country. There is a difference between the administrative class and the labor class in status, the former being called staff members and the latter, factory hands. Although they differ in status, they are considered the same in substance as members of the enterprise. The foreman in a sense belongs to the administrative class, but at the same time comes under the labor class, and therefore he served as a contact man between capital and labor.

Under the permanent employment system like the one in Japan, there is antagonism between enterprises themselves rather than between capital and labor or between the employers and employees. Accordingly, competition between enterprises in Japan frequently become fierce.

In the meantime, Japan's enterprises, in their activities, lack social sense and this results in the egoism of enterprises. For this reason, there can hardly be fair competition.

After the war, the labor unions have made remarkable progress, but the permanent employment system has given them the characteristics of trade unions on the basis of enterprise.

IV. *Points at Issue after the War*

In Japan's enterprises, the cooperation based on paternalism which was termed, as stated above, "wa" (harmony) had been regarded as the underlying spirit of the management of enterprises. And the industrialization of this country has been effected by use of modern production techniques driven by the power of cooperation created in the above manner.

However, due to drastic postwar changes in conditions, the old management method is now becoming ineffective. Under these circumstances, Japan's enterprises are required to establish modern management leadership.

It must be considered that movements now organized in Japan for raising industrial productivity are faced with the task of accomplishing the rapid development of industrialization by setting up modern management leadership.

(1) As a result of the abolishment of ultra-nationalism, the elimination of government protection of, control over and intervention in enterprises, the disintegration of *Zaibatsu* and the enactment of the Anti-Monopoly Law, it becomes an urgent problem that the practice of fair competition be established, social res-

possibilities of enterprises be aroused, and a new relationship be established between the Government and enterprises.

(2) As a result of the development of labor unions and the spread of democratic ideas, the structure of cooperation based on paternalism is collapsing. Japan's enterprises are faced with the necessity of establishing a new personal relationship of cooperation among the personnel along democratic lines instead of cooperation resting on paternalism as in the past.

They are also confronted with the question of setting up a new order based on functional efficiency in lieu of the status system based on personal eligibility.

(3) The improvement of technique, the appearance of automation process, the modernization of equipment and the expansion of scale of enterprises emphasize the need of a rational system suitable to work and the need for the new cooperation. Effective management of a modern large scale enterprise is possible only when individuals' function, responsibility and authority based on their individual works are clarified and these are integrated rationally as a whole of an enterprise.

It is a new question before Japanese enterprises to build up a rational system for management, which includes the following: to exercise rational management in conformity with work; to clarify the individual's function, responsibility and authority and to integrate rationally the results of these efforts on the basis of work in order to bring the power of unity into full play as a whole of an enterprise.

In the sense I mentioned above, enterprises in this country must establish the modern management leadership. In this case, democratic and functional relationship will have to be established. Accordingly, the new management formula is fundamentally different from the old one. This is really a revolutionary change. Therefore, the resistance to the new management formula is unavoidable, but efforts are being made to overcome this difficulty. There is now in Japan's enterprises a catch phrase, "atmosphere creation". It means that there is a necessity to create within enterprises adequate atmosphere conducive to modern management if it is to be introduced.

In the meantime, able managers of present-day Japan advocate the new orientation of management but they do not forget to show at the same time their interest in the old system.

In conclusion, an explanation will be made as to two important questions with which the Japan's enterprise is faced in its attempt to establish management leadership.

(1) The first of them is the question concerning the relation with paternalism. The modern management method runs counter, in principle, to paternalism. Meanwhile, although the traditional Japanese social structure contains feudalistic elements, there is also an element something like a racial community. So long as paternalism in Japan contains the latter element, it has the character of the community of common people which is contrasted with the feudalistic character. This character has not been baptized with modern spirits, but it is not autocratic-

tive alike feudalistic communities and there are latently within it the humanism in its crude form.

Anyway, under the system of feudalistic paternalism there is only stagnancy and decadence, and therefore the application of democratic management is difficult. However, in enterprises which contain rather strongly the element of the community of common people, they have the flexibility to absorb things rational and modern because of their popularity and activity.

There still exists in this country enterprises where the traditional formula is used rather positively as the basis for management. In some such enterprises, business is stagnant because of adherence to tradition, while others have achieved excellent business results by making positive advances while the reform of techniques was under way. Hitachi, Ltd. is the most representative of the latter kind of enterprise. It should be pointed out that although the traditional trend is maintained there, the enterprise possesses the character of the community of common people.

In a new enterprise where there is no tradition, the introduction of modern management formula is made with comparative ease.

In the industrial world around Osaka, where the industrial revolution of Japan was pushed forward, the spirits of rationality and independence are rather strong. Here the modern management formula is positively introduced in comparison with the industrial world in the Tokyo district which has been fostered and protected by the Government.

(2) The second question is that of the relationship between enterprises and permanent employees. Although permanent employment originated from the social structure based on paternalism, there have come to the fore after the war various factors in maintaining or promoting the permanent employment system. The postwar Japan is especially groaning under overpopulation, and therefore a person who has once lost his job experiences great difficulty in finding proper employment. Under these circumstances, it is natural that the permanent employment system should be adopted.

Furthermore, the emergence of labor unions in this country after the war contributes to the maintenance of the said system. The labor unions in Japan are organized on the basis of enterprises. The unions insist on the promotion of wage system based on the length of employees' services and strongly oppose dismissal of employees. This attitude on the part of labor unions result in the strengthening of the permanent employment system.

The fact that this system is maintained at the sacrifice of other things gives rise to another question. The adoption of the system of permanent employment leads enterprises to loss the flexibility of management, which is a primary requirement in postwar Japan because of the unstable and fluctuating economy. Accordingly, it was necessary to find something else which would play the role of a buffer against fluctuation in enterprises if the permanent employment system was to be maintained. For this purpose, the system of temporary workers has been instituted.

The temporary worker is employed under a short-term contract and, unlike regular workers, can be dismissed whenever the circumstances of the enterprises calls for it. The system of temporary employment is adopted by almost all employers and it is now being the normal matter. Attention should be paid to the fact that the permanent employment system is maintained at the sacrifice of non-permanent employees.

Enterprises also demand sacrifices of medium and small enterprises by mobilizing the latter's services as subcontractors. In times of prosperity a company relegates part of the orders it receives to subcontractors, but when orders decrease in times of depression, the company cuts off its connection with the latter, and thus it shifts to medium and small enterprises (which is the subcontractors) the effects of fluctuation in the amount of orders. Accordingly it may be said that permanent employees are connected chiefly with large-sized enterprises and that the permanent employment system is maintained in a sense at the sacrifice of small-sized enterprises which serve as subcontractors. In many medium and small enterprises the non-permanent employment system is adopted unlike in the case of large-sized enterprises. It may therefore be stated that the permanent employment system exists in the unbalance of the national economic structure,

The existence of such an employment system sets limits to the introduction of the modern management formula. Under the permanent employment system it is difficult to establish the modern personal relationship completely on a functional basis and it is also hard to set up fully the rational organization in conformity to work.

This forms an important basic question for Japan's enterprises demanding an urgent solution.

Note I: We have two very good books concerning the management in Japan. These are S. B. Levine: *Industrial Relations in postwar Japan*, 1958, and J. G. Abeglen: *The Japanese Factory, Aspects of its social organization*, 1957. Both books have made very much contribution to the study of the characteristics of the Japanese management in Japan. My paper owed many things to both books.

Note II: I made a research in June, 1958 of how the modern management methods are being adopted in Japanese big enterprises. I could receive replies to my research-enquete from 124 big companies which are assumed to be representative of Japanese enterprises. Summary of results of my research is as following table.

	All industries (124 companies)				Food (5 companies)				Textile (10 companies)				Paper and pulp (5 companies)				Chemical (35 companies)				Metal (8 companies)				Industrial machinery (7 companies)				
	Yes	%	Being Planned	No	No answer	Yes	Being Planned	No	No answer	Yes	Being Planned	No	No answer	Yes	Being Planned	No	No answer	Yes	Being Planned	No	No answer	Yes	Being Planned	No	No answer	Yes	Being Planned	No	No answer
System of group decision of top-management (Jomukai) Is it established ?	95	77	3	21	5	4	0	1	0	9	0	1	0	5	0	0	0	26	0	7	2	6	0	1	1	5	0	2	0
Are there regulations to specify responsibilities and authorities of Jomukai	43	35	34	14	33	2	0	2	1	4	3	2	1	3	2	0	0	13	9	4	9	1	2	3	2	2	3	0	2
Is secretariat attached to it ?	68		5	8	17	31	3	0	1	1	5	1	3	1	3	0	2	0	19	3	1	12	4	1	2	5	0	1	1
The number of secretariat having planning and coordinating nature	34	(50)				0				4				0				10				0				5			
Is there fulltime administrative staff	75	61				3	0	0	0	8				3				20				5				4			
Administrative staff serving also as secretarial staff to Jomukai	34	(45)				0				3				1				13				1				3			
Implementation of job analysis	86	69	12	23	3	2	0	3	0	9	0	1	0	4	0	1	0	23	2	9	1	5	0	2	1	6	1	0	0
Basic policies announced in written statement	38	31				2				3				4				10				2				3			
Existence of comprehensive long-term plans	59	48	32	22	11	0	2	3	0	4	4	1	1	1	2	2	0	15	8	9	3	5	1	0	2	5	2	0	0
Implementation of profit control	89	72	15	9	11	3	1	1	0	9	0	1	0	5	0	0	0	28	5	1	1	4	2	0	2	7	0	0	0
Implementation of budget control	104	89	8	7	5	3	1	1	0	8	1	0	1	4	0	1	0	31	1	2	1	6	0	0	2	6	1	0	0
Are there budget control regulations	69	56	32	12	11	1	2	2	0	5	4	1	0	3	1	0	1	18	12	1	4	4	2	0	2	4	2	1	0
Implementation of cost control	82	66	13	13	16	3	1		1	8	1	0	1	5	0	0	0	27	1	4	3	6	0	0	2	6	0	1	0
Use of statistical computer	(16) 54	43	30	17	7	(2) 0	1	2	0	(2) 6	2	0	0	(1) 0	3	0	1	(3) 15	10	6	1	(1) 2	1	2	2	(1) 3	3	0	0
Use of Electronic computer	12	10	22	60	30	0	0	4	1	2	2	4	2	0	0	1	4	2	7	18	8	1	2	2	3	0	0	6	1
Use of teletypewriter	80	65	11	28	5	1	1	3	0	8	0	2	0	5	0	0	0	25	4	5	1	5	0	1	2	3	1	3	0
Introduction of I. D. P.	3	0.2	26	75	20	0	0	5	0	0	4	5	.1	0	0	3	2	1	6	24	4	1	2	3	2	0	0	6	1
Are there regulations on reports ?	27	22	43	49	5	0	0	5	0	1	5	4	0	0	1	4	0	7	13	15	0	0	3	3	2	1	3	3	0
Registration of reports	29	23	33	50	12	0	0	5	0	4	3	3	1	0	2	3	0	9	9	15	2	0	4	2	2	1	3	3	0
Are there regulations on vouchers?	54	44	35	31	4	2	0	3	0	9	1	0	0	1	0	4	0	15	13	7	0	2	4	1	1	2	5	0	0
Implementation of accounting auditing	111	90	4	4	5	5	0	0	0	9	0	1	0	5	0	0	0	31	2	1	1	5	0	1	2	6	0	1	0
Are there accounting auditing regulations ?	76	61	18	23	7	3	0	2	0	7	1	2	0	2	0	3	0	20	5	8	2	2	2	2	2	4	2	1	0
Implementation of efficiency auditing	79	64	17	22	6	5	0	0	0	6	1	2	1	4	0	1	0	21	6	7	1	2	2	2	2	6	1	0	0

Electrical machinery (6 companies)			Transportation machinery (10 co.)			Mining (3 companies)			Land transportation (5 companies)			Marine transportation (2 companies)			Electric power gas, telephone (8 companies)			Insurance, financing (9 companies)			Others (6 companies)										
Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No	Yes	Being Planned	No								
4	0	2	0	8	0	1	1	4	2	2	0	4	0	1	0	1	0	4	1	2	1	9	0	0	0	6	0	0	0		
1	2	0	3	5	1	0	4	2	1	1	4	1	2	1	1	1	0	1	2	1	0	5	2	7	0	0	4	1	1	0	
2	0	2	2	5	1	2	2	3	0	1	4	3	0	1	1	1	0	1	3	0	1	4	8	1	0	0	4	1	1	0	
1	—	—	—	1	—	—	—	0	—	—	—	2	—	—	—	1	—	—	3	—	—	—	5	—	—	—	2	—	—	—	
2	—	—	—	5	—	—	—	1	—	—	—	4	—	—	—	1	—	—	8	—	—	—	7	—	—	—	4	—	—	—	
1	—	—	—	1	—	—	—	0	—	—	—	1	—	—	—	1	—	—	3	—	—	—	5	—	—	—	1	—	—	—	
5	1	0	0	7	0	2	1	7	1	0	0	4	1	1	0	0	1	1	0	6	1	1	0	5	2	2	0	2	2	2	0
3	—	—	—	3	—	—	—	0	—	—	—	1	—	—	—	0	—	—	4	—	—	—	1	—	—	—	2	—	—	—	
4	1	1	0	6	1	1	2	4	2	2	0	3	1	1	0	2	0	0	8	0	0	0	1	5	1	2	1	3	1	1	
4	1	1	0	9	0	0	1	6	1	1	0	4	1	0	0	0	1	1	0	2	3	2	1	5	0	0	4	2	1	1	2
4	1	1	0	9	0	0	1	8	0	0	0	5	0	0	0	2	0	0	8	0	0	0	6	1	2	0	4	2	0	0	
2	3	0	1	6	0	2	2	5	2	1	0	4	1	0	0	1	0	1	8	0	0	0	6	1	1	1	2	2	2	0	
4	2	0	0	8	1	0	1	7	0	0	1	1	0	3	1	1	1	0	3	3	2	0	1	1	2	5	2	2	1	1	
(2) 2	1	0	1	(1) 5	2	1	1	(1) 4	1	2	0	(2) 1	1	0	1	1	0	1	0	6	1	1	0	8	1	0	0	1	3	2	0
1	1	2	2	1	2	5	2	0	0	5	3	0	2	3	0	0	1	1	0	2	3	3	0	3	2	4	0	1	0	3	2
5	0	0	1	7	0	2	1	6	0	2	0	1	0	4	0	2	0	0	1	4	3	0	6	1	2	0	4	0	2	0	
0	2	3	1	0	1	7	2	0	0	5	3	0	1	4	0	0	0	2	0	1	5	2	0	0	3	4	2	0	2	2	2
3	2	1	0	3	3	2	2	2	1	4	1	2	0	3	0	1	1	0	0	5	3	0	0	2	4	3	0	0	4	2	0
2	2	2	0	2	3	1	4	2	1	4	1	1	0	4	0	0	1	1	0	6	1	0	1	2	2	5	0	1	3	1	1
5	1	0	0	5	3	1	1	3	2	3	0	1	0	3	1	1	0	1	0	3	1	3	1	2	3	4	0	3	2	1	0
6	0	0	0	9	0	0	1	7	1	—	0	4	0	0	1	2	0	0	8	0	0	0	9	0	0	0	5	1	0	0	0
4	1	1	0	7	2	0	1	5	2	1	0	3	0	0	2	2	0	0	5	2	1	0	7	0	2	0	5	1	0	0	
5	0	1	0	4	0	4	1	3	2	3	0	4	0	0	1	0	2	0	0	8	0	0	0	7	1	1	0	4	1	1	0