

Japanese human
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It is generally known that Japanese Human Resource Management practices are largely group oriented and emphasize harmonious work relationships and team work. They also tend to adopt culturally distinctive Human Resource Management practices to elicit employees' sense of loyalty and commitment to their organizations. For example, the seniority wage and promotion system, lifetime employment, extensive training programs and group oriented approaches are features of Japanese firms. Traditional staffing of young graduates with learning is viewed as critical as Japanese expected the new recruits to assimilate the organizational culture. (Morishima, M. 1992)

Under the paternalistic management pay and promotion system decisions have traditionally been based principally on age and seniority rather than on job classification or performance. Although this approach helped to strengthen the intention to stay, evidence suggests that the importance of seniority had declined in pay and promotion. Efforts such as replacing seniority with merit were made to decrease the emphasis on seniority as being the main criteria for salary increase. This change is partly due to the economic slump and the elevated labour costs of seniority practices.

Additionally, the younger Japanese employees may be changing towards a more individualistic orientation. Japanese firms invest heavily in training employees. Apart from equipping employees with skills training also integrates employees in the firms through socialization and the immersion of organizational culture. (Hashimoto 1990).

Western analysts of Japanese industrial relations from the beginning have stressed the corporation centered actor orientations and the comparatively low level of industrial conflicts. It is remarkable the extent to which the main

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objectives of large Japanese firms reflect a harmonious basic concept of modern economic society. In the simple terms, market relations are interpreted as mutual obligations, leading to sharing of interests and the social obligations of a company are stressed.

Japanese management has dual objectives. Firstly, management searches for opportunities to growth, secondly, the harmonization of social relations within a company as well as between it and the environment. Contrary to the predictions of western experts, the development of industrial capitalism in Japan has not led to the dual objectives disintegrating under the pressure of competition. During the last decade the trend changed dramatically due to increasing global competition and the resulting flexibilization of manpower. Reduction of permanent employment dilution of normal collective agreements by a mounting diversity of individual work contracts and last but not least the spread of a shareholders value-ideology are main features of the replacement of social components in human resources policies by the application of individualizing financial incentives and subsequent personal risk sharing.

Lifetime employment patterns seem to have changed by growing practice of externalizing regular status core employees by means of a transfer to other firms and organizations. This may happen temporarily (Shukko) or permanently (tenseki). Higher ranking senior members of management affected by such strategies to reduce surplus employment may be subject to practices ranging from early voluntary retirement to aggressive out placement counselling. (Morishima 1997)

Japanese welfare corporatism in its traditional form is not only marked by lifetime employment for core employees and relevant compulsory retirement patterns but also by special patterns of status assignment linked to seniority. The need for greater flexibility in work assignment combined with permanent qualification- has led to a gradual adjustment of Human Resource Management practices. They are marked by greater consideration of ability and performance in career development, thereby shortening the traditionally long evaluation periods, especially for managerial candidate. (Morishima 1997)

When we turn to the industrial relations aspect of Japanese welfare corporatism, we still notice a strong orientation of labour union activities on regular employees and therefore less concentration upon organizing emergent categories of works. Thus e. g. part time employees amounted to 11. 4% of the labour force in 1997 but only to 2% of union members. This organization lag of Japanese labour unions also counts for a dramatic drop in the rate of unionization from 28. 9% in 1985 to 22. 2% in 1999. The Japanese community firm rests on communication traditions. First structure is governed not only by statute but by convention supported only peripherally by case law. Industrial relations systems and practices are shaped by the three main actors-government, workers/unions and employer/employer's organizations. In Asia for instance, governments have had significant impact on industrial relations. (Chew, 2005)

Employees are a critical factor in strategies involving promotion of innovation and the use of technology. The requirement of organizational flexibility and its human resource and industrial relations implications have <https://assignbuster.com/japanese-human-resource-management-essay-sample/>

had a major impact on the way organizations are structured. The organizations are less hierarchical, the exercise of authority within the firm is less unilateral, decisions are arrived at through information sharing and consultation and there is transfer of more responsibility to employees and cooperative methods such as team work. (Chia 1995)

Traditional assumptions that efficiency is achieved through technology, managerial control, and allocation of resources has brought about the notion that greater involvement of employees in their enterprise, jobs, and teams bring about efficiency. There are various characteristics which are reflected by organisations which have made this shift. These include; few wide spans of control, hierarchical levels, continuous staff development; self managing work teams, commitment to quality, job rotation, information sharing, generation of high performance expectations, pay systems which cater to performance rewards and not only payment for the job, a common corporate vision and participative leadership styles. There is also keen awareness in the business community in order to Asia's dynamic growth; there is a need for radical changes. (Chia 1995)

The industrial relation systems in Asian countries have emerged from circumstances and values somewhat different to those which underpin and which have shaped western industrial relations systems. There are some features of the industrial relation system in Japan that distinguish it from countries in the industrialized West. These can be explained as follows; a small industrial sector and the related small numerical size of the working class, a dualistic economic structure where a pre-capitalist economic system mainly dominates the scene, a segmented labour market where a sharp

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dualism both between modern and traditional manufacturing sectors and small and large firms exists. The system also has the characteristic of weak trade unions, the dominance of the state in the industrial sector, and thus the absence of collective bargaining between employees and employers.

(Chia 1995)

Industrial relations systems were shaped by the governments' determination of the economic direction of Asian countries. This had a direct consequence of the government emerging as the largest employer especially in countries with some socialists' orientation. The government influenced the type of industrial relation insulations which emerge like any other employer would wish to do. Economic strategies and particular industrialization adopted in each country further refined the shape of industrial relations. (Koika 1996)

Instead of seeking to control the other actors in the Industrial Relations system the state in Japan promoted labour management dialogue, cooperation and stability through procedures for labour dispute adjunction emphasizing employment security, bargaining and joint consultation mechanisms and by promoting the consolidation of four major trade unions federations into one body. At the national level it has effectively involved employers and workers in consultations in the formulation of labour policies through their participation in trilateral councils. But even Japan in the 1950's witnessed a period of extreme union militancy which resulted in measures to purge the union movement of its left oriented elements. (Koika 1996)

Industrial relations in countries, sub-regions and regions, have been influenced by a variety of circumstances and actors such as political

philosophies, economic imperatives, and the role of the State in determining the direction of economic and social development, the influence of unions and the business community, as well as the legacies of colonial governments. Over several decades Industrial Relations in many industrialized market economies of the West, and also in Australia and New Zealand in the Asia-Pacific as well as in the South Asian countries, paid less attention to competitiveness than did the younger 'discipline' human resource management. Industrial Relations fulfilled the function of providing employees with a collective voice, and unions with the means to establish standardized terms and conditions of employment not only within an enterprise but also across an industry, and sometimes across an economy. This was achieved through the freedom of association, collective bargaining and the right to strike. Similar results were achieved in the South Asian sub-region where political democracy, and sometimes socialist ideology, provided enormous bargaining power and influence on legislative outcomes to even unions with relatively few members. A different Industrial Relations regime emerged in some of the South-East and East Asian economies (as we will see), driven by competition in export markets and different political systems bearing little resemblance to the values underpinning Western-style democracies. (Koika 1996)

The 1990s in particular witnesses an increasing interest in Human Resource Management, including in Asia. This is likely to transform rhetoric into more widespread practices and implementation policies. Among the factors that have contributed to the increased interest in Human Resource Management are the following:

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The shift from addressing issues related to the employment relationship at levels external to the enterprise level. This shift is associated with the idea propagated by employees that in an increasingly globalized environment competitiveness is won or lost at the level of the enterprise and industry. As such changes that are needed to make enterprise competitive and best be effected by matching organizational and individual goals which requires action at the enterprise level. Since by it's very nature. Human Resource Management operates at the enterprise level; it is being viewed by employers as the preferred method.

1. Since much of industrial relation activity in the past has focused on relations outside the work place, IR is soon as less relevant to objective.
 2. The formulation and implantation of Human Resource Management policies are not necessarily dependent on the existence of a union, unlike traditional Industrial Relations which is based on the premise of the existence o f unions. For instance collective bargaining usually assumers a union as the bargaining agent of employees. Many of the areas of Human Resource Management (selection and recruitment, leadership and motivation employee development and training, employee retention) are implementable even when there is no union.
- The increasing examples of excellence in Human Resource Management have generated an interest in it as a means of achieving management objective.

1. The traditional role of personnel managers has failed to exploit the potential benefits of effective management of people. Nor did personnel management form a central part of management activity.
2. Decline in unionism has opened the way for managements to focus more on individuals, rather than on collective issues.
3. Many important aspects of Human Resource Management such as leadership, commitment and motivation emanate from the area of organizational behaviour and underline management strategy. This has provided the opportunity to link organizational behaviour and management strategy with Human Resource Management.
(Hashimoto, 1990).

Japanese practices in their large enterprises have reflected a successful blend of collectivist Industrial Relations and Human Resource Management, made possible to some extent by their enterprise union system which has facilitated union involvement in Human Resource Management initiatives through mechanisms such as their joint consultation system. Among trading companies and distributors, the ratio of part time workers to total employees is high. Due to an emerging trend of letting part-time workers become part of a company's union, the tendering of creating part-time workers organization is becoming stronger. (Hashimoto, 1990).

The merits of the Japanese style of management have become a subject of debate recently as the Japanese economy continues to suffer under persistent difficulties. Particularly since the collapse of the bubble economy, the once world-acclaimed Japanese model tends to be discarded or ignored, regarded as inefficient and incompatible with reform. More recently, the

system is being re-evaluated especially by business leaders who successfully revamped their companies amidst the global persistent serious stagnation that Japanese businesses had entered into. (Chew, 2005)

Entering the last decade of the 20th century, the economic environment affecting Japanese firms changed substantially. The long term growth rate had been on a downward trend before then, but accelerated even further in the 1990s. The annual average growth rate, which stood at 10.5 per cent in the 1980s and eventually around one percent in the 1990s. Japanese firms can no longer expect constant economic growth and have come under pressure to take measures such as downsizing or closing branches or factories. Consequently, they are obliged to avoid fixed labour costs and are beginning to outsource at the same time, they are cutting back on regular employees and increasing the number of part-time dispatched and other types of work is with fixed term labour contracts. In addition, as an increasing number of larger firms enter into bankruptcy, the employment security of existing employees has been undermined, irrespective of the wishes of employees. (Chew, 2005)

Intensifying competition among firms, both domestically and on an international scale, together with a declining economic growth is having a considerable impact on company employment practices. Japanese firms have been and remain fully aware of global competition and the need for enhance their export strength. (Morishima, 1992)

The role of the government in Japan refers to the infrastructure provided by public investment in research and development, which facilitates diffusion of

innovations, informal consultations between the state and companies. The Japanese Keiretsu (Conglomerate or network of firms) system fosters closer cooperation between firms than in most other nations, offering advantages which rival those commonly obtained through vertical integration in large US or western firms. Their privileged relationship with unique suppliers gives the Keiretsu more flexibility and a more long-term perspective compared with North American firms. (Morishima, 1992)

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