

# [An the following quote: "japan’s corporate culture](https://assignbuster.com/an-the-following-quote-japans-corporate-culture/)

An Investigation of Japanese Corporate Culture, Its Trends And Changes
Japanese Business & Culture bus 258. 1
Table of Contents1. 0 Introduction
2. 0 Procedure
3. 0 Findings
3. 1 Changing social culture.

3. 2 Business Culture in Japan
3. 3 Why change is needed
3. 4 What is Japan and her corporations doing to develop and change
4. 0 Conclusion
5. 0 Bibliography
Japanese Business & CultureAn investigation Japanese corporate culture, its
trends and changes. 1. 0 IntroductionThis report is based around the following
quote: " Japan's corporate culture is the product of uniquely Japanese social and
historical influences, so deeply rooted as to easily repel outside influences.

Bur Japanese corporations need to change their basic goals...." This report will
discuss nature of corporate culture in Japan, and why change is needed. The
maximum length is 2, 000 words
2. 0 Procedure The report was produced using library based research because of
the time scale and cost. The sources used include text books, journals and
newspapers.. The references have been made 'Harvard Style' and can be found in
the Bibliography.

3. 0 Findings The Japanese business culture has been described by Beedham as a
culture that acts like a clan, in that there is a large amount of authority
given to the man at the top, and in the commitment that is shown by the people
around him, Beedham points out that this can be evident in the way that their
car factories, investment banks and government ministries are ran.

This clan-like-behaviour has the effect of making decision making painfully slow,
with compromises having to be met in all directions, but this is starting to
change, as the people of Japan are starting to change and have different
priorities. These changes can be put down to several factors that are changing
in Japanese society as a whole.

3. 1 Changing social culture. The increasing and speeding up of urbanisation is
one way in which corporate culture is being changed. Because of this
urbanisation there is less commitment to groups as people become more individual
and have their own priority in life. Marriage and family ties are also starting
to loosen. Links between children, parents and grandparents are not the same as
they were ten years ago.

The greatest impact on peoples commitment to their work is money. As the
Japanese become richer, they are starting to see that there is a lot more to
just working every hour possible. With this extra money they have been given
the opportunity to make friends out of the workplace and focus on other
activities such as clubbing, music, football etc. and they are seeing spare
time differently. But this is only taking place on the outside edge of Japanese
society and the core of Japan which includes the big businesses, are still
operating in the traditional way of life and it has been estimated that it will
take a further fifty years before a new way of living and lifestyle becomes the
norm. (Beedham)
3. 2 Business Culture in Japan
Business Culture is said to be the product of the mind and is often described
as: " how we do things round here". (source unknown) Before describing the
corporate culture within Japan it is useful to understand the corporate culture
in the West as a comparison. In the West, business is simply about profit
seeking. Its Managers and workers are there to increase profit for the owners of
a corporation. The employees are evaluated by how much of a contribution they
make towards the generating of this profit. The Western corporation is designed
like a profit machine and operated like a profit machine.

Within the Japanese business world, the corporation is not seen as been there
for just profit. Profit is important, but it is not the only reason for the
company's existence, but involves people and their future. The community factor
is as important, and sometimes more important than, short term profitability.

The Japanese business people see their company as a community, this community
has within in it people who happen to live together by working together. The
company is a living society which needs profit as sustenance for growth.

Western Europe and China, has seen many revolutions throughout their history in
areas such as their religions, politics, industry and culture. When these
revolutions occur new system of thinking replaced the old, sometimes these
changes are forced upon the population. It was not so in Japan, where new
system of thought, whether made internally or introduced from abroad, was added
to or mixed with what was the current ideal.

Because of this accumulation and mixing of ideas, the Japanese mind has became
more complex than the so called " enlightened" cosmopolitan Western mind, and
retains the archaic, medieval, modern and post-modern views. An example of the
almost schizophrenic thinking of a typical business man from Japan could be, an
English speaking business manager of an internationally operating company may
behave like a rice growing villager in his board room discussions, then the same
person behaves like a Samurai clansman in the competitive market, and like a
devoted Buddhist in social functions and like a scientist when he is in search
of a solution for his business problems.

At the core of the Japanese mind there is a basic notion of ANIMISM, this is the
belief that everything has a spirit which is the nature-worshipping religion of
Shintoism. Confucianism, Taoism and other schools of thought which came from
China are added on top of Shintoism, which is still a powerful element of the
Japanese culture and determines many aspects of the social and organisational
behaviours. Chinese and Korean scholars and immigrants brought in other types of
thinking into Japan and those new ideas were mixed with the indigenous ideals
which has resulted in a hybrid strain of philosophy, religion and social ethics
Then Buddhism which was refined in China was a further addition to the Japanese
character. The final layer added the Japanese character was added through
globalisation, and occurred in the middle of the nineteenth century and again in
1945. After the American occupation in 1945, to think like Europeans was
strongly encouraged. This was accepted but at the same time they retained the
" Japanese spirit". (source: unknown, Internet)
3. 3 Why change is needed Because of the complex way in which the Japanese
thought process works and the way that the corporate culture works is not seen
as the easiest country to do business with. Japan protects its markets and its
ideals. With the economic bubble bursting and the emergence of the China as a
economic force change is needed to get the economy running at the levels it once
enjoyed. As well as China there are the other Tiger economies in the Pacific
that are emerging and becoming big players.

There are calls for the country to go through further economic deregulation.

Shoichiro Toyoda is one of the people calling for this and states:
'We have to reform and cut our high costs if we are to compete in the future.'
He also says that Japanese companies should become more global, and that it is
necessary for companies both to compete and co-operate in international markets
and to become more outward looking, (FT 96 Dec 05 page 6)
Japan needs to change from a manufacturing-led to consumer-driven economy; from
an over-regulated bureaucracy to a more open market; and from a culture of
corporate rigidity to one of entrepreneurial freedom.

Change has to occur but as long as each section of society continues to benefit
from the current situation, there will continue to be no foreseeable movement
for change, this lack of development will bring about the end of Japan as a
economic power or at least take away the influence it has on the world. However
this change cannot just be a gradual change because if it is not quicker in the
next 10 years than it was in the previous five, it is highly likely that it
will not be able to get back its old position and instead will go into decline.

(FT 96 Dec 02 page 20)
3. 4 What is Japan and her corporations doing to develop and change
At the moment there is a definite change in policy and a deliberate attempt at
change within the corporations and this is helped by political changes too.

An example of this is seen in the appointment of Taizo Nishimuro as the
president of Toshiba. There are three reasons why this appointment was seen as
against the norm. The first was that he had spent 14 years overseas. This is
seen as a long time and not the norm for a future corporate, because in Japan,
head office jobs are seen as the quickest and best way to get to the top
echelons . Secondly Mr Nishimuro was not next in line to the job as typically
happens within Japanese corporations. There were another nine executives ahead
of him, this was another big change in a corporate culture where seniority
matters. And finally Nishimuro was not from Toshiba's heavy engineering division
but is an electronics expert, which is a big change for this particular
corporation and is another indication of how much they want to change . (FT 96
Dec 05 page 6)
Another corporation that is changing the way it is ran forever is Canon, who
supply computer printer, copier and camera's. There internal changes have been
in action for a longer period than most Japanese corporations. Their changes
have been taken place over the last decade. It has given more management
control to its foreign based subsidiaries, hired a greater proportion of foreign
staff and management, and increased research and development abroad, and this a
massive move from what is seen as the 'norm' in Japan. This change to Canon's
culture and operations became even more radical during the summer of '96.

During this period, world responsibility for a series of key R&D projects was
switched away from its headquarters in Tokyo to the US, France and Britain.

Since this there have been more Japanese corporation follow this lead. (FT 96
Nov 18 page 14)
It is generally accepted that because of the structure and culture within
Japanese corporations that their R&D is not as effective as it could be, as
everything is from the grass roots up. The people at the bottom of the chain
are asked and checked and so on. This is the reason behind these changes.

The Prime Minister of Japan, Ryutaro Hashimoto, has said that he wants to put
in place far-reaching financial reforms. A great surprise to all was the idea
that the Ministry of
Finance, which is the very heart of Japan's bureaucratic oligarchy, should be
broken up.

With the policy ideas of Ryutaro Hashimoto concerning deregulation, there has
seen a mobile phone boom, a lowering in air fares and the establishment of
Japan's first proper supermarkets
In the corporate sector, cross-shareholdings are to be slowly dissolved, and a
big change is in the perception that corporation have on profit. Companies are
now starting to set targets for their financial returns. (FT 96 Dec 02 page
20)
4. 0 Conclusion
The Japanese business culture is very different from that in western countries
and China and this is a consequences of their history. Japan has never been
invaded but different ideologies, religions and ways of thinking have be
interwoven into the Japanese character.

There is however change occurring within the Japanese social structure. This is
mainly down to the speeding up of urbanisation and this has the knock on effect
of changing the corporate culture slightly
Japanese corporations are not seen as been there for just profit. Profit is
important, but it is not the only reason for the company's existence, but
involves people and their future. This is however changing with corporations
starting to set financial targets for themselves and cut costs.

Ways in which the Japanese corporate culture is starting to change can be found
in the way that promotions are decided. In the past seniority meant everything
and no some positions are given on merit. Also, management positions are
starting to be taken up by foreigners, as well as R&D relocation outside Japan.

Japanese politics are also helping in the change of culture. Deregulation and
liberalisation promote a more dynamic organisation culture and structure but
these developments need backing up with further proposals to deregulate and
promote entrepreneurship
5. 0 Bibliography
Brian Beedham, Tomorrow's Japan, The Economist, July 13th 1996 Various Internet
article with no title or author. FT 96 Dec 05 page 6/ Survey - Japanese
Industry: Routes to the top FT 96 Dec 02 page 20/ Lex Column: Japan FT 96 Nov
18 page 14/ Management: Time to pull back the screen