# An the following quote: "japan's corporate culture

An Investigation of Japanese Corporate Culture, Its Trends And Changes

Japanese Business & Culture bus 258. 1

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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

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