Sociologists and `the Japanese model': a passing enthusiasm?

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Sociologists and ‘the Japanese model’: a passing enthusiasm?

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ABSTRACT
This article critiques the construction of ‘the Japanese model’ of employment relations by sociologists in English language sociological research monographs, organization textbooks and introductory general textbooks. It demonstrates how marked differences emerged across the different genres and relates them to the different purposes of researchers and textbook writers. The article examines three particular puzzles. First, why did general textbooks adopt ‘the Japanese model’ in the 1990s when media commentaries were announcing the demise of the Japanese model in Japan? Second, why did the 1990s textbooks use 1980s organization textbooks rather than research monographs for their sources? Third, why are general textbooks ready to distance themselves from the model in 2006 when researchers confirm continuing vitality in the Japanese model in large Japanese companies? Answering these questions reveals how sociological knowledge of Japanese employment has been generated, disseminated and used in research, teaching and policy debates.

KEY WORDS
bureaucracy / Japanese employment system / Japanization / lifetime employment / sociology textbooks

Introduction: sociologists and ‘the Japanese model’

For decades, people around the world marvelled at the economic miracle of Japanese organizations. But the praise was premature. Around 1990 the Japanese economy entered a downturn that is only now showing signs of ending. As a result of this downturn, most Japanese companies no longer offer workers jobs for life or any of the other benefits noted by Ouchi. (Macionis, 2005: 184)
Should sociologists abandon ‘the Japanese model’? Among many versions of ‘the Japanese model’ across the social sciences, sociologists made a distinctive contribution through research on work and employment relations (McCormick, 2004). From the 1950s to the 1970s, research monographs identified a distinctive set of employment relations in large Japanese factories based around relatively long-term employment relations for regular male workers, a heavy weighting to length of service (seniority) in pay and promotion and union organization based on the enterprise (Abegglen, 1958; Clark, 1979; Cole, 1971, 1979; Dore, 1973). From the 1980s, organization texts began to attribute a large measure of the success of Japanese manufacturers to these employment relations (Clegg, 1990; Ouchi, 1981). Through the 1990s, a stream of English language sociology textbooks incorporated ‘the Japanese model’ of employment relations in order to offer an alternative to Weberian bureaucracy in chapters on organization. Positive accounts persisted in the textbooks despite proliferating media accounts of ‘the death of the Japanese model’ (Giddens, 1989, 1993, 1997, 2001; Macionis, 1987, 1989, 1991, 1993, 1994, 1995, 1997, 1998, 2001, 2002). During the 1990s, the media, from financial journalism to television documentaries, were flooded with accounts of companies abandoning ‘lifetime employment’ and ‘seniority pay’ and claims that the once-vaulted distinctive features of Japanese employment lay behind the relatively disappointing performances of Japanese companies and the Japanese economy. Ironically, general textbooks (Giddens, 2006; Macionis, 2004, 2005) now appear ready to distance themselves from the Japanese model just as researchers are confirming its continuing vitality (Inagami and Whittaker, 2005; Jacoby, 2005; Vogel, 2006).

The historical timeline of ‘the Japanese model’ suggests a diffusion process from research monographs to organization textbooks to general textbooks. But, general textbooks drew relatively little directly from research. Instead they drew on organization textbooks. Moreover, while researchers continued to revise ‘the Japanese model’, textbook writers largely maintained their original versions through subsequent editions. While some general textbooks drew on organizational texts to argue that Japanese organizational forms could be transferred to other countries, others contended that Japanese organizational forms were too culturally embedded to be transferable. Researchers, commentators and textbook writers appear to draw on different sources and to present different accounts of the Japanese model for different purposes. Does it matter?

A priori there are several grounds for believing that it does matter. First, the central elements in ‘the Japanese model’ – employment security, skill formation, participation and work–life balance – remain salient for employees and sociologists across societies (Noon and Blyton, 2007). Second, the Japanese model was conceived in manufacturing industry and requires re-examination as the balance of economic activity in Japan changes from manufacturing to services. Third, the degree of resilience of national institutions regulating work and employment institutions under the pressure of globalization excites widespread interest. Fourth, discrepancies between research monographs, organization
textbooks and general textbooks stimulate questions about the generation of sociological knowledge, its validity and reliability, its dissemination, and the development of traditions in research and teaching. Fifth, the English language accounts of the Japanese model were largely the work of foreign sociologists either researching Japan or drawing on secondary literature to comment on Japan in textbooks, but there is now a wealth of research in other languages that is becoming increasingly accessible in English (Mouer and Kawanishi, 2005: 24–65).

Therefore the following sections examine three particular puzzles. First, why did textbooks adopt ‘the Japanese model’ in the 1990s as media commentaries announced its demise? Second, why did the 1990s general textbooks adopt 1980s organization textbooks rather than research monographs for their sources? Third, why are textbooks now ready to distance themselves from the Japanese model as researchers confirm its continuing vitality in Japan?

Textbooks, media and Japanese employment

While the Japanese economy enjoyed unprecedented success in the late 1980s, it was an unsustainable ‘bubble economy’. After its collapse in 1991, many business analysts highlighted endemic institutional weaknesses in Japan, including the employment system. Against this background, it is surprising that several popular general sociology textbooks advanced the merits of the Japanese model in the mid-1990s. However, the first general textbook accounts of the Japanese model appeared in the late 1980s, pre-dated the 1991 collapse and drew on images of the early 1980s. Moreover, general textbooks did not aim to report contemporary Japan per se; rather they intended to illustrate alternatives to Weberian bureaucracy in chapters on organization. In addition to demonstrating the validity of the model as a description and explanation of Japanese organization, the general textbooks were interested in whether or not the Japanese model could be exported to the English-speaking countries of their readership, the USA or UK. Table 1 shows the distribution of textbooks across the two dimensions of validity in Japan and transferability outside Japan. The ‘pioneer texts’ were positive along both dimensions, drawing on Ouchi’s (1981) organizational text to demonstrate the validity of the model in Japan and other sources to argue that it could be exported to the USA or UK (Giddens, 1989; Macionis, 1987). While several of the late 1990s American and British textbooks accepted the validity of the model in Japan, they were sceptical about its transfer to the USA or UK (Andersen and Taylor, 1999; Fulcher and Scott, 1999; Marsh, 1996; Taylor, 1996). One textbook adopted a distinctive perspective by challenging the validity of the model in Japan, and a fortiori its exportability (Henslin, 1996). However, after 2000, even the pioneers began distancing themselves from the Japanese model (Giddens, 2006: 666; Macionis, 2005: 184).
There has been heated debate whether Japan’s 1990s problems were internally or externally generated. In 1985, the Japanese government bowed to American pressure to revalue the yen upwards against the dollar to reduce Japan’s trade surplus with the US. Fearing domestic recession, the Japanese Ministry of Finance eased monetary policy, encouraged bank lending and fuelled asset price inflation. Loans went into property speculation, generating a ‘bubble economy’. Eventually, the government curbed bank lending and the bubble collapsed. The subsequent recession proved intractable through the 1990s despite government policies and organizational restructuring. The extent of the difficulties, including non-performing loans, was obscured by non-disclosure, embarrassment and hopes that economic recovery would cover the problems. Although the problems were financial in origin, the debates on poor economic performance spread from criticism of government policy to critiques of deeper institutional failure.

Striking similarities in the pioneering textbooks owed much to their use of a common source. Table 2 illustrates their use of Ouchi’s (1981) organization text and its central thesis that Japanese organizations provided viable alternatives to Weberian bureaucracy. Giddens echoed Ouchi’s view that Japanese success was linked to eliciting employee commitment. In the late 1990s, Giddens noted Japan’s economic difficulties, but maintained that the central thesis was unaffected since the Japanese example had influenced successful reform in the West. While Macionis located the origins of the model in Japanese culture, Giddens remained silent on origins. Despite differences on the treatment of origins and the significance of culture, both writers agreed that Japanese organizations could be successful in the USA and UK and were influencing American and British organizations. Later, Macionis collaborated with a British sociologist on a text for the European market and incorporated Ouchi’s account into the wider framework of Clegg’s thesis about the search for flexibility and the general drift towards post-modern forms of organization (Macionis and Plummer, 1997).

Some later American textbook writers also used Ouchi’s organizational text as their main source, but with a sceptical twist. Andersen and Taylor reported Ouchi’s account in terms of lifetime employment in one company in Japan, but doubted its applicability to the USA because of its cultural embeddedness.
### Table 2: Contrasting ‘the Japanese Model’ against the Weberian (or Western) model in the 1980s

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<td><strong>The ‘Japanese Model’</strong></td>
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<td>A</td>
<td><strong>Hiring and advancement</strong></td>
<td><strong>Lifetime security</strong></td>
<td><strong>Job security</strong></td>
<td><strong>Advancement is determined by</strong></td>
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<td>‘In Japanese formal organizations, new graduates from schools are hired together as a group and receive much the same salary and responsibilities. As one moves ahead so do they all. Only after many years is any one person likely to be singled out for special advancement.’ 149</td>
<td>‘But in the large formal organizations in Japan, an employee is hired to remain for an entire career. This fosters a sense of identification with the organization that is rare in the United States. Once Japanese workers have spent several years with one organization and learned its particular policies, other organizations would be unlikely to hire them, even if they wished to change jobs.’ 150</td>
<td>‘Job security in the United States varies from organization to organization, but is generally limited. Workers frequently move from company to company in an effort to maximize their personal advantages.’ 150</td>
<td>‘The large corporations in Japan are committed to the lifetime employment of those they hire – the employee is guaranteed a job. Pay and responsibility are geared to seniority – how many years a worker has been with the firm – rather than to a competitive struggle for promotion.’ 284</td>
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<td>In American formal organizations, employees compete with one another for promotions and higher salaries. 149</td>
<td>‘At all levels of the corporation, people are involved in small teams or work groups. The groups, rather than individual members, are evaluated in terms of their performance.’ 284</td>
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<td><strong>C Non-specialized training</strong></td>
<td><strong>D Collective decision-making</strong></td>
<td><strong>Less specialization</strong></td>
<td><strong>Bottom-up decision-making</strong></td>
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<td>'From the outset, a Japanese organization trains its employees in all phases of its particular operation. This is done, of course, with the expectation that employees will remain with the organization for life.' 150</td>
<td>'While the leaders of Japanese organizations have final responsibility for their company’s performance, they encourage all workers to offer input about any issue that affects them. This principle strengthens workers’ identification with the organization as a whole, and is also reflected in the operation of many semiautonomous working groups within the organization. Rather than simply responding to the directives of superiors, all employees share some managerial responsibilities.' 150–1</td>
<td>'In Japanese organizations, employees specialize much less than their counterparts in the West … Take the example of Sugao, as described by William Ouchi (1981). 283</td>
<td>'The American trainee will almost certainly specialize in one area of banking early on, and stay in that specialism for the remainder of his or her working life' 284</td>
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<td>'Decision-making in American organizations is typically the responsibility of a handful of executives.' 196</td>
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<td>The 'Japanese Model' From Macionis</td>
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<td>E Holistic involvement</td>
<td>'Japanese organizations, in contrast, are involved in all aspects of their employees' lives. They often provide dormitory housing or mortgages for the purchase of homes, sponsor recreational activities, and schedule a wide range of social events in which all workers participate. Employee interaction outside the workplace strengthens collective identity and also provides a chance for the Japanese worker – characteristically very respectful towards superiors on the job – to more readily voice suggestions and criticisms.' 150</td>
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By contrast, Henslin discussed the Japanese model in terms of ‘myth’ versus ‘reality’: Ouchi represented the ‘myth’ of how Japanese organizations were supposed to work, while a variety of sources (including *Wall Street Journal* articles) were used to reveal ‘the reality’ (Henslin, 1996, 1998, 2004, 2006). Henslin proclaimed that not all workers participate in the lifetime employment system, but this was a straw man since Ouchi never claimed that they did. Henslin cited Morita’s championship of the Sony Walkman to deny Ouchi’s portrayal of ‘bottom-up decision-making’ in Japanese bureaucracy. Yet the example of an owner-entrepreneur cannot confound the typification of a bureaucracy, since the owner-entrepreneur stands above and outside the bureaucracy. Moreover, the attribution of the Sony Walkman to heroic entrepreneurship and the presentation of Sony as a typical Japanese company were both problematic (Du Gay et al., 1997: 46–51).

Later British textbooks used the concept of ‘Japanization’, focusing on the potential transferability of Japanese organizational forms to the UK rather than examining organizations in Japan. These texts gave greater prominence to labour unions and industrial relations, neglected by Macionis and Giddens. All doubted the likelihood of successful Japanization. Taylor used Clegg’s organizational text to portray Japanese companies as ‘post-modern organizations’ (Taylor, 1996, 1998). To the core elements of lifetime employment, seniority pay and enterprise unionism, Taylor added network subcontracting, just-in-time production, flexible work practices, quality control and group support to support the thesis that Japanese companies have a central concern with ‘flexibility’ (Taylor, 2004: 378–9). Citing secondary sources, Taylor doubted the transferability of Japanese forms to the UK since they were too deeply rooted in Japanese culture and only selectively adapted by British managers. Again, this is a straw man since Japanese managers engage in selective adaptation too. Using secondary sources, Marsh added another sceptical note about ‘Japanization’, particularly the prospects for flexibility and teamwork (Marsh, 1996; Marsh and Keating, 1999, 2006). Marsh contended that Japanese companies had limited impact in the UK since they had only 15,000 employees compared to 450,000 in American-owned firms (Marsh and Keating, 1999: 187–8). This focus on ‘direct Japanization’ neglected the potential for emulators to introduce elements of Japanese organizational practice (Oliver and Wilkinson, 1992). Unusually among textbook writers, Fulcher and Scott had both researched Japanese institutions. They wove the Japanese model into three chapters from industrial relations to organizations to welfare policy, basing their version on a research monograph (Fulcher, 1988; Fulcher and Scott, 1999, 2003; Scott, 1986). Their interest lay in the 1980s Japanization thesis of British industrial relations reform. They cited Dore’s 1973 comparative study as the template for differences, concluding that the Japanese model had had little influence in Britain (Fulcher and Scott, 1999: 532–3). However, this view underestimated reforming influence through sapping confidence in British institutions rather than by replacing them with Japanese institutions (McCormick, 2002). Like other textbook writers, they examined the Japanese model as
debureaucratization and cited Clegg’s critique of Weber’s universalism in bureaucracy (Fulcher and Scott, 1999: 662–3, 669–70). Unusually, they extended ‘Japanization’ to British debates on the changing role of the state in social welfare and made cross-references to the incorporation of workers at company level (Fulcher and Scott, 2003: 760).

Textbooks, research and polemics

General textbooks largely ignored the research that comprised the core English language literature of the Japanese model. Instead, textbook writers tended to rely on secondary materials in organizational textbooks (Clegg, 1990; Ouchi, 1981). Ouchi’s attraction for textbook writers lay in his bold polemic, authoritative style and the neat fit with their debureaucratization theme. Clegg’s text was attractive for links to contemporary theorizing on post-modernity. In both cases, textbook writers have tended to simplify to the point of distortion and misleading interpretation. For example, they omitted Ouchi’s caveats about the extent of employment security and Clegg’s caveats about cultural explanations.

In the early 1970s, Richard Tanner Johnson and William Ouchi collaborated in a prominent account of Japanese companies’ successful introduction of features of Japanese organization into their US factories (Johnson and Ouchi, 1974). Later, Johnson (now named Pascale) co-authored a best-seller text on Japanese management style that gained a direct channel of influence into US business through the McKinsey consulting organization (Pascale and Athos, 1981). Ouchi also entered the bestseller lists with an emphasis on the social context of business (Ouchi, 1981). He argued that Weberian bureaucracy became a model of efficiency in small-scale 19th-century Prussian society, but saw serious problems for this organizational form in late 20th-century America (Ouchi, 1981: 63–4). By contrast, Ouchi claimed that Japan retained many of the characteristics of small scale society in its cultural practices and used lifetime employment, participative decision-making and a holistic concern for people to build organizational communities. Ouchi’s ‘Theory Z’ offered solutions for the USA with a superior blend of Japanese and American best practice. Cross-cultural psychologists, however, criticized the vagueness about how cultural practices were to be hybridized (Schein, 1981).

A decade later, Stewart Clegg’s organization text focused on the parallel oppositions of modernity/post-modernity and differentiation/de-differentiation, and the potential for organizational forms to transcend bureaucracy as the archetypical modern organization (Clegg, 1990: 2–24). Since Japanese organizations offered examples of post-modern and de-differentiated organizations, Clegg argued that Japanese organizations could not be fully understood within Weberian paradigms, although the Japanese model was just one of several alternatives to bureaucratic forms, including French bakeries and Italian clothing production (Clegg, 1990: 132–52). Yet Clegg picked his way through the literature to challenge excessive emphasis on cultural factors in explanations of
Japanese organization. He noted that many features of Japanese organization had been imported and adapted from the USA. The attraction of Clegg’s account for textbook writers lay in its use of post-modern theorizing, the scope for ideal types of the modern/inflexible versus the post-modern/flexible organization and links to debates about flexibility in business studies. Textbook writers overlook his critique of assumptions about the culture-bound character of Japanese organization. Later, Clegg collaborated with a Japanese researcher to show how Japanese companies were responding to pressures from lower economic growth prospects, new technologies and increased global competition with more flexible uses of lifetime employment, increasing use of specialists, incorporating ability and performance elements in pay, and accepting widening pay differentials in their labour force (Kono and Clegg, 2001: 270–78).

In the 1980s, ‘Japanese-style management’ (nihonteki keiei) was widely perceived to be positively linked to production systems that not only delivered success in Japan, but overseas too. It appeared to provide human resource management that gave relatively more effective support for international managers than American methods (Tung, 1982). Yet, in the process of experimenting and learning about transplants, elements of the production system were more readily applied than elements of the employment system. Moreover, elements of the human resource management system seen as most crucial to production were least likely to be hybridized (Liker et al., 1999: 5–11).

Textbooks, research and ‘the end of the Japanese model’

The general textbooks’ presentation of ‘the Japanese model’ has been problematic both in their selective treatment of their source material and in their relative neglect of contemporary sociological research. Both shortcomings are evident in closer examination of the main dimensions of the Ouchi–Macionis–Giddens versions of the Japanese model (Table 2).

Employment security

Ouchi put employment security at the heart of Japanese organizations: ‘The most important characteristic of the Japanese organization is lifetime employment: it is the rubric under which many facets of Japanese life and work are integrated’ (Ouchi, 1981: 17). But Ouchi added two important qualifications. First, he estimated that only 35 percent of the labour force was included, mainly those in large companies and the public sector. Second, he emphasized that the retirement age was 55, when an employee might go to a satellite company on less generous terms than those in the core company. Although Macionis and Giddens mention the qualification of large corporations, references to ‘job guarantees’ were misleading (see Table 2, row B).

Ouchi added three further qualifications about the use of ‘buffers’ that were omitted in textbook summaries. First, he noted that the twice-yearly
bonus element in pay related pay to variations in overall company performance. Second, he noted that non-regular workers, typically women, protected the security of regular workers – ‘The central fact remains, however, that women serve as a “buffer” to protect the job stability of men’ (Ouchi, 1981: 24). Third, he saw another buffer in the small firm sector where suppliers and sub-contractors were used to absorb economic shocks and protect employment in the large firm sector (Ouchi, 1981: 24–5). These qualifications identified a segmented labour force inside and outside the large companies. Omitting these qualifications meant missing the links to issues of social class and gender.

The distinctive feature of post-war Japanese manufacturing organization was not the employment security of white-collar employees, but the blurring of the white-collar and blue-collar distinctions that had marked pre-war Japanese organizations. The new pattern emerged from bitter industrial struggles through the late 1940s and early 1950s (Gordon, 1993, 1998). One positive outcome of ‘the white collarization of the blue-collar worker’ was the boost to skill formation on the shop floor of manufacturing industry (Koike, 1988: 53). Now, the open question is whether Japan’s labour movement has either the will or the strength to sustain some of these gains of the early post-war compromise in a changing economy and society.

While many blue-collar men were incorporated into ‘salaryman’ terms and conditions, women were largely excluded. Although the 1945 Constitution offered formal equality, the structure of lifetime employment and seniority pay reinforced ideological continuities and female exclusion from the scarce ‘good jobs’ since it penalized career breaks. Meanwhile enterprise unions represented (male) regular workers. So long as the economy prospered, companies grew and household incomes rose, critics of the gendered division of labour could be chastised for rocking the boat of economic success. That economic success cannot be attributed to the functional flexibility of secure salarymen. Female part-time labour provided much flexibility too (Gottfried and Hayashi-Kato, 1998). The subtle and the not-so subtle aspects of gender politics in Japanese corporations can be seen in the efforts of relatively powerless female clerical workers (the Office Ladies) to influence the careers of the male salarymen (Ogasawara, 1998). Some Japanese managers and companies have bumped awkwardly into equal opportunity legislation in Britain and the USA (Sakai, 2000). Although Japan’s 1986 Equal Employment Opportunity legislation had negligible sanctions, there have been some changes. It has stimulated educational aspirations and some limited recruitment of women to the male dominated ‘managerial career track’.

The term ‘lifetime employment’, widely used in research, organization textbooks and general textbooks has been eye-catching, but problematic. Abegglen (1958) coined it in both English and Japanese, in the latter case because his Japanese translator had to find a term (shūshin koyō) where none existed in Japanese (Takanashi, 1999: 14–19). Subsequently, Abegglen called it naive, preferring ‘career employment’, since employment was never for life (Abegglen, 2001). Takanashi complained that the term’s popularity reflected excessive
Japanese deference to foreign researchers, and that it obscured the considerable flexibility existing in Japanese labour markets (Takanashi, 1999).

The 1991 collapse revived debates about the viability of Japan’s ‘lifetime employment’ system, particularly as the American and British economies prospered and revived interest in the Anglo-Saxon model of capitalism. Critics lambasted ‘the lifetime employment system’ as a prime example of Japan’s institutional sclerosis. Employment security was blamed for inhibiting responses to changed circumstances, for curbing rewards to initiative and effort, for discouraging risk-taking and entrepreneurship. While some called for its abandonment, others called for incremental change. Nikkeiren (the Japanese Managers’ Association) proposed reduction of the proportion of the labour force in the long-term employment system and expansion of more short-term contracts to reflect employer needs for specialist skills (Nikkeiren, 2000). Some companies kept faith with expectations of secure employment for core employees by re-interpreting ‘lifetime employment’ as employment within the company group rather than an individual company, albeit with potential re-location and less advantageous employment terms (Sato, 1997).

Media announcements of change in Matsushita, often portrayed as a very conservative and quintessential Japanese company, have served as weather-vanes of change in Japan. Yet Kono and Clegg argue that Matsushita has been increasing variety in its employment and reward practices rather than making wholesale changes (Kono and Clegg, 2001). Company statements on their retention of lifetime employment for the core of regular workers are used to illustrate the economic rationality of the employment system for skill formation and technology strategies (Oaklander, 1997). Some companies used announcements of dramatic change as symbolic signals to the workforce of the need for adaptation rather than forerunners of substantial redundancy (Lincoln and Nakata, 1997). Japanese corporations have broadly maintained ‘lifetime employment’ for the male regular workers in their existing labour force while shrinking the scope of the system by severely restricting new hiring, leading to concern about skill formation opportunities for young non-regular workers and widening income inequalities (Inagami and Whittaker, 2005: 32–50; Jacoby, 2005: 69–72; Matanle and Lunsing, 2006).

Work roles and rewards

Accounts of work roles allocated to groups rather than individuals and heavy weight given to seniority are usually linked to images of Japan as a hierarchical ‘group oriented society’ (Nakane, 1970). Yet this has been a highly contested view, criticized for an excessive and ideological stress on the cultural dimensions of ‘groupism’ in Japanese life. Contrasts between collectivism versus individualism should not be used as self-evident shorthand, sociologists should spell out the links between the group level and the wider organization and the way that groups are linked to organizational designs (Rohlen, 1975: 208).
The image of a wholly ‘generalist’ managerial labour force has been challenged by calls for more short-term contracts and differentiated human resource management practices for increasing numbers of specialists, such as R&D and IT workers (Nikkeiren, 2000). But surveys of ‘creative workers’ and company professionals suggest that the main obstacles to their effectiveness lie with management practices rather than traditional employment practices (Inagami and Whittaker, 2005: 51–68).

The role of ‘seniority’ (length of service) in pay determination has been much debated, re-interpreted and revised. While there was an intuitive consistency in rewarding length of service alongside lifetime employment, there has been more discussion of shifts to ‘ability wages’, or even ‘performance pay’ as the main principle underlying pay during the 1990s. But once account is taken of the many elements used in pay determination in Japan and the changing weights attached to them, then the more explicit references to ‘ability wages’ do not represent a sharp break with the past so much as contemporary adaptation (Holzhausen, 2000). Nevertheless, seniority is declining in its significance and companies are introducing larger wage differentials in their pay schemes (Rebick, 2005: 44–53). Experience with performance-related pay has been very mixed, some trials have been abandoned and it is still used far less than in the USA (Jacoby, 2005: 143; Vogel, 2006: 123–4). Pay flexibility being sought through increases in bonus rather than base pay.

Decision-making

Although many popular accounts contrast a Western propensity for individual decision-making with a Japanese propensity for collective decision-making, research monographs offered more nuanced accounts of authority and decision-making (Abegglen, 1958: 71–93; Clark, 1979: 125–34; Dore, 1973: 224–31). Abegglen complained that Ouchi pushed contrasts too far with the impression that all decisions in Japan were made slowly and by groups and that all decisions in the West were made quickly and by individuals (Abegglen and Stalk, 1985: 208–9).

Ouchi highlighted the *ringi* system of decision-making where a relatively lowly official proposed a course of action and sought support from colleagues and seniors. The *ringi-sho* document spiralled among peers and seniors to gather comments, support and formal approval, typically by the stamp of a personal seal. A document could carry several dozen seals before reaching the top level. One problem with the contrast of Japanese ‘bottom-up’ image of decision-making set against Western ‘top-down’ decision-making lies in disentangling whether juniors only initiate proposals favoured by their senior. The definition of ‘*ringi*’ as ‘a system of reverential inquiry about a superior’s intention’, with roots in the Meiji era, should prompt caution about strong contrasts with heroic Western leadership (Tsuji, 1968: 457).
Some textbooks followed Ouchi in contrasting informal modes of decision-making in Japan with the distribution of formal authority in the Weberian ideal type (see Table 2). Giddens goes too far in asserting that Japanese organizations do not have formal structures of authority as in the Weberian model (Giddens, 1997: 295; Ouchi, 1981: 43). A more complex picture emerged from matched comparisons of Japanese and American manufacturing plants. Japanese companies delegated less formal authority in decision-making than their American counterparts, but used a greater variety of supplementary informal modes of consultation (Lincoln et al., 1986: 353).

Many Western observers, keen to emphasize the virtues of greater employee participation in decision-making, liked the image of ‘bottom-up’ decision-making. Yet stressing the positive side of collective decision-making, Ouchi and the textbook writers glossed over the relatively slow speed of decision-making (albeit often off-set by speedier implementation) and the factionalism rampant in Japanese bureaucracies.

Contemporary debates about the reform of corporate governance have moved discussion of decision-making above the managerial layers of corporate bureaucracy. During the 1990s, many Japanese companies sought the creation of more high value added and creative products. In turn, reform champions called for personnel policies to foster more creative labour and greater reliance on capital markets. Reformers urged greater attention to the interests of shareholders, often implicitly (and sometimes explicitly) marking a shift away from the interests of the long-term employees. Early research suggested that changes in the structure and composition of company boards of directors or the criteria for decision-making and corporate governance were unlikely to undermine employment stability as a goal for companies (Berggren and Nomura, 1997; Inagami, 2001). Dore argues that government initiatives, corporate governance reforms (smaller boards, the addition of more outsiders and the introduction of the US-style ‘corporate officer’ system), ideological shifts among managers (more attention to share prices than market share), and relative movements in dividends upwards and wages downwards herald a changed kind of capitalism in Japan (Dore, 2006/07). Yet explicit comparisons at corporate level suggest that ‘corporate governance reforms and employment reforms have been somewhat decoupled’ (Inagami and Whittaker, 2005: 108), and that there are still significant differences between Japanese and American corporations in corporate governance (Jacoby, 2005: 144–5; Vogel, 2006: 134–40).

**Boundaries of employment**

Japanese success in building employer–employee relations that transcended the cash nexus is a core theme from Ouchi to the early textbooks. Allegedly, companies exchanged paternalistic benevolence for employee loyalty. In an unusual citation of a research monograph, Giddens noted Dore’s 1973 account of housing provision for ‘all unmarried and nearly half the married male employees’
Yet Japan is losing this international distinctiveness in the level of company provided housing, as new hires fell and many unused housing assets were sold over the 1990s (Wiltshire, 2004).

There are deeper debates about the notion of loyalty for benevolence too. Employers and managers worked hard to minimize ‘the free rider’ problem, using a mix of positive and negative sanctions to discourage settling for ‘the quiet life’. At its extreme, some of the pressure of intrusive and overbearing control of the white-collar workforce secured official recognition in karoshi (‘death from overwork’) (National Defense Counsel for Victims of Karoshi, 1990). The desirability and feasibility of adopting Japanese-style work organization prompted debates where champions argued that Japanese factories were post-Fordist, offering new levels of worker satisfaction; while critics argued that Japanese work organization was merely a novel brand of super-Fordism, even more ruthless in the exploitation of workers (Kato and Steven, 1993).

While many employees continued to value security in the turbulent 1990s, growing confidence in a resurgent economy is now encouraging speculation about the aspirations of young employees for greater control of both their work lives and their lives beyond the workplace (Matanle, 2003). Some observers identify changing values and more aspirations for self-development among the salarymen, arguing that ‘the selfless, salaried samurai, one-time superstar of Japan’s golden economic era, is now a misfit, shunned by company and family’ (Nakamoto, 1997: 1).

Conclusions

For almost half a century since Abegglen’s slim research monograph, sociologists have conceptualized employment relations in large Japanese companies in terms of difference and a distinctive Japanese model. They have debated their origins, functions and benefits for employees, employers, customers, suppliers and citizens. Yet the world of work has become more complex. In the early years, the Japanese model could be conceived in terms of Japanese employees in Japanese-owned organizations operating in Japan. Now Japanese corporations operate outside Japan and more foreign corporations operate in Japan. An extensive literature examines how the Japanese model overseas has been modified to different host environments and how foreign companies have adapted human resource management to Japanese labour markets (Abo, 1994; Cole, 1998; Elger and Smith, 1994; Liker et al., 1999). Japanese sociologists, writing in English, have added a critical counterweight to earlier bullish business perspectives (Mouer and Kawanishi, 2005). The durability of the Japanese model has been a remarkable achievement. Yet it has taken different forms in different genres from original research monographs to organizational textbooks to general introductory textbooks in mass higher education markets. To understand how they co-exist we can return to our opening questions.
1) English language general textbooks pioneered the Japanese model in the late 1980s when Japan’s economic success reinforced their account of a viable alternative to Weberian bureaucracy. Given this prime focus, they ignored the mid-1990s media accounts of changing employment relations for another decade. Most textbooks with first editions from the mid-1990s took the model in Japan uncritically because they were largely focused on questions about institutional transferability to the UK and USA, rather than Japan.

2) The general textbooks have tended to prefer the summaries of organizational texts to research monographs for their source material because they lend themselves more readily to the formidable tasks of simplification required of textbook writers. Simplification is inherent in model building; for example, the early researchers were selective in choosing which dimensions of employment relations to characterize as different between factory life in Japan and their home countries. Now, with increasing variety in employment practices across Japan, researchers will be increasingly cautious about titles such as ‘the Japanese factory’ or ‘the Japanese company’ (Wood, 1991). The textbook writers’ awesome task is to squeeze ‘the Japanese model’ into just two or three pages in chapters on organizations or employment relations. Their dilemma is how to achieve the simplification involved in condensation without misleading omission or gross caricature.

3) The readiness of textbooks that had championed ‘the Japanese model’ to revise their accounts might appear long overdue. However, it begs the question which Japanese model? Initially, Giddens was agnostic about economic success and conceded that it might have stemmed from long hours and exploitation rather than employee commitment, but this caveat disappeared from later editions (Giddens, 1989). Later, Giddens outlined the familiar model, omitted reference to Ouchi, recognized conflicts between ‘traditionalists’ (keen for continuities) and ‘radical capitalists’ (eager for reform towards individualistic practices) but refrained from speculation on the likely outcome (Giddens, 2006: 664–6). Macionis went further to abandon the model (Macionis, 2005: 184). Yet, having dropped Ouchi’s important caveats they had been presenting an overly rosy version of the model compared to organization texts and research monographs. Abandonment of that version was long overdue.

Researchers undertook major revisions. Later, Abegglen gave more weight to the timing of industrialization, compared to his earlier emphasis on cultural factors (Abegglen, 1973). Dore gave more attention to finance in revision (Dore, 1990: 425–7). Above all, it is clear that ‘the Japanese model’ has been a ‘contested concept’ in its description, interpretation and explanation. As the sense of ‘model’ changed in the 1980s from description of difference to exemplar of ‘best practice’, sociologists became more directly involved in American and British policy debates about neo-liberal restructuring. Pioneers re-interpreted earlier
studies in the new context of debate. Abegglen cautioned against over-emphasis on culture and ‘managerial style’ (Abegglen and Stalk, 1985). Meanwhile, Dore urged more attention to culture and values and their part in shaping organizational forms and their success (Dore, 1987: 91–5). Many Japanese businessmen became attracted to explanations of national and company economic success in terms of national cultural distinctiveness in the 1980s (Yoshino, 1992). In the context of debates about the ‘varieties of capitalism’ in the 1990s, Dore pointed to the pressures from demography, globalization, long-term shifts in values and models of success elsewhere that are changing ‘the Japanese enterprise system’, but cautioned against throwing away elements that had contributed to the quality of life in society (Dore, 2000: 1–19).

A fourth, more general question arises. Should sociologists abandon the Japanese model? While researchers have long been debating the reconfiguration of Japanese employment relations, the readiness of English language textbooks to throw away baby and bathwater seems premature. Using large-scale data surveys and a case study of Hitachi (the original ‘community firm’ in Dore’s 1973 study), Inagami and Whittaker found a blend of strong continuities and adaptation in employment practices, corporate governance and management priorities, typified as the ‘new community firm’ (Inagami and Whittaker, 2005). Researchers provide evidence of both changes across Japan and growing variety within Japan across economic sectors and by degree of foreign ownership. While most companies have adopted more market-oriented approaches, those in the service sector or those with higher foreign ownership have moved further than those in manufacturing or with lower foreign ownership. Yet explicit international comparisons of corporate restructuring in Japan and the USA, using matched samples, still find merit in contrasting central tendencies and a Japanese versus an American model (Jacoby, 2005: 157–74; Vogel, 2006: 157–204).

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