

IT TOOK THE JAPANESE TO BUILD JAPAN

In an effort to bring articles of work interest to Employees of ASANKO, the thought through reprint of this story, first published in the October 6, 1980 edition of BUSINESS WEEK may be appropriate to share with you. It was written by Kyonosuke Ibe who was the Chairman of Sumitomo Bank in Japan and deals with what the Japanese feel is the real reason they have outpaced America and other nations in the world of work. It is well worth reading.



“Frankly, I feel uneasy when the reason for Japan’s economic success are discussed in the U.S. To me, explanations, as a rule, just miss the mark.

“We are analyzed, inspected, and examined, usually very flatteringly, to

determine how, in 35 years we built a pile of rubble into a nation with the second-largest gross national product in the free world. *Industrialists talk of our skills and talents. Economists probe into financial acumen and a nurturing bureaucracy. Businessmen focus on quality control and sales strategies. All of these discussions are generally accurate, but they peer at Japan without looking at the Japanese.*

“The key element in our economic growth is the Japanese society itself. It has been shaped by history and geography to be austere and adaptable. In a country where only 15% of the land area is arable and a large population must be supplied, austerity developed long ago from an economic necessity into a way of life and a form of art. Our paintings and sculpture, our architecture and our gardens have been designed on the premise

that ‘less is more’ because less is all there is.

“When Japan’s industrial revolution, the Meiji Restoration, took place in 1868, the austere character of the society was already well defined within the feudal ties of loyalty were not eroded but were transferred.

“Instead of the samurai warrior swearing fealty to his lord, the newly industrialized worker gave his loyalty to the employing corporation. In return, the corporation gave the worker the assurance of lifetime employment.

A TEAM-SPIRITED WORKFORCE

“It is not loyalty to the institution, the president or the chairman of the board. It is identification with the institution that employs the worker. In Japan, when a worker is asking what he does for a living, he generally tells you that he works for

Sumimoto or Mitsubishi. It takes a second question to find out that he is a chauffeur, an engineer, or a chemist, which, in my experience, is the first answer you get from an American.

“These two national characteristics, austerity and total loyalty to the Company, have been the basis of the spectacular rise of our economy. They have given us a highly motivated, team-spirited work force that identifies with the fortunes of the company.

“The company’s success is the employees’ success, regardless where they fit into the scheme of things, and the company’s failure unthinkable. The company’s reputation has to be protected tenderly”. Of course, it was considered extreme when a perfectionist Honda assembly worker was observed after work adjusting windshield wipers on his company’s products parked on the street. We thought his

impulse was correct, but found him a little overzealous.

“This special feeling of proprietorship and protectiveness by company personnel is also the root of Japan’s co-operative labour-management relationship. The annual spring labour offensive brings hard bargaining for wages and conditions, but little disruption. Memories are still fresh from the years following 1945, when management and labour together picked up the pieces of what had been industrial Japan, and a dedicated work force kept production moving every minute to earn enough income for the burden of interest payments and high depreciation costs.

THINKING PARTICIPATION

“The work force came through and developed a *tradition of participation* as thinking human beings rather than as cogs in production machinery. *The man or*

woman on the line is very inventive about improving production or production. Practical suggestions by employees from sweepers to theoretical physicists are common practice.



“There is a legend at Sony about a young woman on the transistor production line who watched for months to find out a way to detect the pieces of silicon that made good transistors. She reported her findings to the company and a team of researchers tested it. The results proved her method very useful. When it was adopted into production, the rate of products passing inspection doubled from a low, 30% to 40% level.

“It not only pays the company and the worker well to think creatively about the business, it also has a distinctly beneficial

psychological effect. If you are married for life to the company, you have to feel that you have an impact on its operation and financial health.

“In a country where every drop of fossil fuel must be expensively imported, lifestyles are traditionally adapted to energy saving. We turn out the lights at home and we turn them off at the office and factory. When there was a resurgence of the oil crisis in (1979) we didn’t panicked. We knew we could manage. So we just tightened our belts a little more and kept working. We not only export small cars but we use them. That’s why Japan had a running start on production and marketing of four-cylinder vehicles during the worldwide oil crisis of the 1970s. Because of frugality, we are now at the point where we produce a unit of our GNP at one-third of the energy cost needed in the U.S.

“Still, however malleable and adaptable the

Japanese society has been, we could never have achieved such outstanding success in 35 years without the favourable conditions that Japan enjoyed under the Pax Americans. The introduction of new technology the world-wide development of communication and transportation, and the expansion of the world market blended beautifully with the built-in Japanese system to give us a tremendous boost in world trade and world affairs.

“Another aspect of the Japanese system, dating back to the days before Commodore Perry, is, of course the protection of home markets through a variety of restrictions. Some of those restrictions – like the weight and length limitations of automobiles – are essential.

Without them, Japanese roads would be in an even worse state than they are now. But there were quite a number that could not be identified as necessary on the

basis of inherent, unalterable conditions in Japan. The primary purpose of



Those restrictions was to protect infant industries as part of the national industrial policy. Although most of them have been virtually dismantled, I believe that any that remain should be examined individually and adjusted on a fair basis.

WORLD COMMITMENT

“I can see changes in our remarkably homogeneous society: Our young people are not only getting taller than their parents, they’re reaching out



further to find their own individuality and to lead Japan into creative, problem-solving, international

participation. So far, our strength has been in our homogeneity. As a people, we could predict the reactions of 100 million people of a single race.

“But this self-contained island nation that just a little more than 100 years ago entered the industrial age is making a commitment to the world for the 1980s. A consensus is emerging that Japan must play a larger role in economic and technical assistance to less developed countries.

“And the coming generation will probably be tested to see if its homogeneity can become accommodating enough to exchange not only commodities and capital with the rest of the world, but also people – such as the acceptable of refugees.

“Now that I’ve made it clear that I believe Japan’s only natural resource is its *people*, I would be happier if I could also say that we don’t

have any bumbling bureaucrats, mediocre managers, or inept workers, as other countries do. But we have, and the more we are going to enter into the mainstream of world cooperation, the more likely you are to meet some of them. We may be a homogenous nation, but we are certainly not a nation of geniuses, I thought you’d like to know”.

*Reprint and submitted by:
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