The Effects of Japanese Culture and History on the Adoption of Quality Control Techniques

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ABSTRACT

Quality Control Conundrum: The Effects of Japanese Culture and History and What This Means for Americans

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Statistical quality control was introduced in Japan by W. Edwards Deming, a statistician working for the United States War Department, in the early years of Japan’s occupation. Deming’s work on statistical quality control was largely overlooked until it quickly revolutionized Japan’s industry in the 1950’s, leading to an event commonly known as Japan’s “Post-War Economic Miracle.” Japan’s economic growth was based on the realization of Deming’s theories and the profound increase in the quality of Japan’s manufactured goods. Japan’s top corporations still maintain a reputation for high quality products.

Once Japan began to overtake the United States, many firms attempted to adopt Japanese quality control techniques, to varying degrees of success. Culture was the most commonly cited reason for the failure of Japanese quality control in America; firms who struggled with its implementation would often give
up, claiming that the work environment in America was too culturally different for these Japanese techniques to work. However, some businesses were able to make these methods work quite well for them, which would indicate that culture was not the determining factor in this situation. This has led to an argument about whether or not culture is the determining factor in the success of Japanese quality control techniques in American businesses.

In order to investigate this phenomenon thoroughly I went to the source, examining Deming’s personal and work related documents from the time he spent in Japan and the consulting work he did in America upon his return. I also made use of ethnographies focused on the Japanese work environment, and statistical data comparing the performance of Japanese and American firms in similar industries.

After looking at Japan’s history and cultural traditions, it was apparent that Japan’s adoption of quality control after the Second World War was a product of both cultural tradition and fortuitous circumstance. However, culture is something that we can ultimately change and control. Because of this, culture is not an impassable barrier to the adoption of quality control by American firms. But, culture does have some power, and this power can be made to either help or hinder the efficacy of Japanese techniques in American business firms.
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Introduction

Japan and the United States have a very complicated relationship, increasingly so in the aftermath of World War II. These nations are very close in many ways, yet the cultural differences between them create a distinct sense of “otherness” on both sides that acts as a repulsive and magnetic force. As Ruth Benedict wrote in *The Chrysanthemum and the Sword*, “their [the Japanese] reliance upon order and hierarchy and our faith in freedom and equality are poles apart,” (Benedict 43). Despite the seemingly irreconcilable cultural divide, Japanese scholars became fascinated with Western learning more than a century prior to the arrival of Admiral Perry. In recent decades, the United States has begun to reciprocate this interest more and more. Japan is one of the few nations that exert any kind of noticeable influence on popular culture in the United States. While this is interesting enough in and of itself, there is another area where a mutual cultural exchange has developed. In the aftermath of World War II, the United States was integral in the effort to rebuild Japan’s infrastructure. In fact, the Japanese originally learned their ideas about product quality in manufacturing from an American, when statistical quality control was introduced by W. Edwards Deming (a statistician contracted by the War Department) between 1946 and 1950 (Sasaki and Hutchins 1). This initial jumpstart led to their meteoric and completely unpredicted rise to manufacturing
prominence. Despite the scars left by World War II, economic cooperation served as a powerful instrument in bringing these two countries together in subsequent decades.

Today, Japanese products are still well known for their exceptional quality and reliability, particularly in the areas of automobile and consumer electronics manufacture. Originally borrowed ideas evolved into practices that were (at the time) unique to Japan, like total quality management and later quality control circles. Japanese techniques quickly surpassed our own statistical quality control methods, allowing for even higher degrees of quality control. It goes without saying that Japan’s unique practices gave its products an edge in quality that many companies still maintain. Fifty years ago, it would have been unimaginable that Americans would have been choosing to purchase Japanese cars over American cars because of increased reliability. Nor would anyone have predicted the rise of consumer electronics giants anywhere outside of the United States. In a reversal of traditional post-World War II roles, corporate executives from the United States started visiting Japan to gain insight into how these techniques worked. Now, with numerous transplant branches operating in the United States (and elsewhere), it is not surprising that the management techniques which brought about these successes have spread beyond Japanese companies. Even companies in industries that do not compete with Japanese firms are attempting to mimic their techniques in order to obtain increased productivity and improved quality. Though the idea still persists that many of these methods are “uniquely Japanese,” the fact that they originated in America,
combined with evidence of successful adaptation, would suggest that Americans can also benefit from these practices. However, the roots of Japanese ideas about quality control and management are rooted deep within Japanese culture. While these practices themselves can be separated from those roots, there is a reason why Japan was the soil in which they first grew.

Japanese culture is radically different from our own. In America, we value the rugged individualist, those who stand out and make their mark on society. In Japan, it is very much the opposite. A perfect example of this sentiment is embodied by the Japanese saying that “the nail that sticks out gets hammered down” (Treml 109). Japanese society is one of duty and obligation, of responsibility to the collective, of putting the needs of others before the needs of one’s self. It would appear that Japanese are companies primarily concerned with the customer and the employee, while American firms tend to place more value on the rights of the shareholders. Due to several important structures within the Japanese employment system, workers in large Japanese firms are devoted to the success of their companies, typically being more concerned with the reputation of the whole than amassing personal wealth. Workers in firms both large and small identify strongly with the work that they do, and many conventions within the Japanese work environment promote an emotional connection to labor. **Traditional values of asceticism and self-discipline also play a large role in this process.** The line between workers and management is frequently blurry, and the system of lifelong employment suggests that workers are not treated as disposable commodities. Quality of work is extremely
important to workers; working at a company renowned for high quality products brings respect outside the workplace. Total quality management, quality control circles, and other hallmark practices in Japanese management evolved in this environment, where the quality of the product (and accordingly the company) was of utmost importance. Eager to increase their own productivity for the sake of higher profits, American firms have been trying to discover the best way to adopt these techniques for maximum effect.
Chapter 1: Historical Roots

Few people expected Japan’s skyrocket to international success in the aftermath of World War II, commonly referred to as an “economic miracle.” Still, Japan emerged as the first of the “Asian tigers,” and was the world’s second largest economy until just a few years ago, when it was supplanted by China. Central to Japan’s economic success was (and still is) the astounding improvement in the quality of its manufactured goods. While the world seemed to regard the “miracle” of Japan’s success as some sort of astounding fluke, there actually exists a strong historical precedent for their growth in the second half of the 20th century. The cultural values that laid the groundwork for their economic success have existed for many centuries. The Japanese also have a strong history of adopting the tools and systems of other cultures and putting them to their own uses. However, none of Japan’s cultural advantages would have been helpful were it not for the work of one man: W. Edwards Deming. A statistician with a background in physics and chemistry, Deming was originally hired by the U.S. Army in 1947 to help with statistical surveys and to teach the Japanese about statistical sampling methods. On future trips to Japan, Deming ended up also sharing his ideas on statistical quality control with the Japanese Union of Scientists and Engineers (known as JUSE). JUSE became the driving force for the pursuit of the development of quality control in Japanese industry. Though
Deming’s influence should not be underestimated, he said it best himself: “The stage was set. Conditions might not have been so favorable a year before, or a few years later. Japan in 1950 was ready for a new start” (Deming 1975). He may not have realized just how appropriate those words were.

Japan is unique in many ways, but one thing that stands out throughout history is the exceptional ability of the Japanese to respond and adapt to strong foreign influences while still retaining the essence of their culture. Yoshio Kondo, a professor at Kyoto University as well as a member of JUSE, was a follower of Deming’s teachings and a strong proponent of quality control while it was first emerging in Japan. His efforts were influential enough that he was awarded the Deming Prize (an award given out by JUSE for excellence in the field of quality control, unsurprisingly named after Deming) in the 60’s for his work in the field. When asked about the role that Japanese culture had in the adoption of quality control, he had this to say:

Japanese culture, values and social structure might affect to some extent the success of its quality revolution. However, we should not allow differences in culture to be utilized as excuses for failures in introducing and promoting foreign ways, saying that “Our culture is different”. Japan is a successful example of the value of introducing foreign cultures (Kondo 2000).

Japan’s success in adopting foreign cultures is part of their culture, and it has been a strong part of their history for over a thousand years. It is this aspect of
Japanese culture, more than anything else, which facilitated the initial adoption of quality control in Japan.

A History of Foreign Influences

In an address by Kenichi Koyanagi, the first managing director of JUSE and a close friend of Deming, Koyanagi mentions this aspect of Japanese culture as being of core importance for their adoption of statistical techniques: “As our history records, Japan has been importing foreign cultures since ancient times. Nearly 2000 years ago, our ancestors borrowed freely and adopted culture and techniques, Confucianism and Buddhism, in particular from China” (Koyanagi). Quite possibly the most prominent example of this is the Japanese writing system, which was based mostly on classical Chinese when it was created. Japan’s script is based on Chinese calligraphy, the writing of which involves strict adherence “to both a physical and mental attitude, since only through repetition over a long period of time can a model be mastered” (Cox 157). While the language itself was popular with the upper classes and at court, since classical literature and religious texts were both written in Chinese, the Japanese did not adopt spoken Chinese for regular use. Instead, they used Chinese characters and assigned them to the sounds of spoken Japanese. Japan’s modern written language also incorporates western letters and numbers, as well as a unique alphabet of characters used specifically to write common loan words from English and German.

Today, the stereotype exists that the Japanese have a “culture of copying,” thinking that since they themselves are an “indistinct, unified group,” it is easy for them to mindlessly copy the works of others (Cox 53). This is quite inaccurate;
copying is actually an integral part of the Japanese understanding of learning and creativity. In fact, “the earlier form of the Japanese word maneru, ‘to copy,’ is manebu, which was derived from the word manabu, ‘to learn’” (Cox 56). The act of copying is an integral part of learning in many fields, but the Japanese understanding of copying is somewhat different from our own. Copying is generally not something looked upon favorably in American society. In Japan, to be able to faithfully reproduce the work or a master is an admirable goal. Copying is also an integral part of Shinto religion, being the highest form of ritual veneration. Today, kagura is a type of performance art, but it is actually based on Japan’s oldest Shinto ritual. Kagura is literally translated as “the great copy,” and it serves as “a physical reproduction of the original ritual described in the myth of Opening the Rock-Cave Door” (Cox 23). This myth describes a time when Amaterasu, the sun goddess, hid herself in a cave. All of the other gods and goddesses performed a ritual dance, persuading her to come out to see what all of the commotion was about. Kagura was a ritual tied with renewal and regeneration, and is still one of the most important Shinto rituals today (Cox 31).

“Copying” isn’t necessarily the best way to describe this phenomenon, however. While copying is certainly an important part of Japan’s written and religious traditions, as well as their approach to artisanal craftsmanship, something more is at work here. In a translation of his book on the roots of modern Japan, Yoshiie Yoda writes that “Japanese culture can be characterized by a tradition of letting older elements survive and allowing them to coexist with new features” adopted from both within and outside Japan (Yoda 1). Yoda’s
explanation reveals how Japan can adopt foreign culture without losing its essential national character. Yoda uses the evolution of Japanese theater performance as an example, with court music, Noh, and Kabuki evolving in succession, yet all three forms are still practiced today (Yoda 3). Japanese religion is also an excellent example of Japan’s tendency to adopt new things while also keeping the old, as Shinto, Buddhism, and Confucianism all co-existing simultaneously. Especially in the field of quality control, Japan’s ability to combine foreign cultures with their own has been one of its greatest advantages.

Japan’s copying skills were first applied to Western knowledge long before Japan ended its policy of isolation. Japanese scholars became interested in rangaku, literally translated as Dutch studies, two centuries before Admiral Perry’s arrival and the forced end of the country’s isolation. The Japanese gained a lot of secondhand scientific knowledge through the lens of rangaku prior to the Meiji Restoration; knowledge without which government sponsored industrialization could not have succeeded. One of the founders of rangaku was a man named Sugita Gempaku. Originally a surgeon, his interest in Western learning came from rumors about the supposed excellence of Dutch medical science. Sugita had the opportunity to compare the illustrations found in a Dutch anatomy book (the Tabulae Anatomicae) with a post-mortem dissection. Upon discovering the Dutch charts to be completely accurate, he felt that traditional Chinese knowledge “proved to be sheer fantasy” (Greenfeld 254). After the post-mortem dissection, Sugita and his colleagues compared several skeletons with the Dutch book that Sugita had obtained: “‘Again,’ recalled Sugita, ‘we were
struck by the fact that they all differed from the old theories while conforming to the Dutch charts” (Greenfeld 254). When faced with the revelation that almost everything they knew about medicine was wrong, Sugita and his colleagues quickly resolved to learn as much as they could:

“When we faced that *Tabulae Anatomicae,*” remembered Sugita,

“we felt as if we were setting sail on a great ocean in a ship without oars or a rudder. With the magnitude of the work before us, we were dumbfounded by our own ignorance… At that time, I did not know the twenty-five letters of the Dutch alphabet. I decided to study the language with firm determination, but I had to acquaint myself with letters and words gradually.” (Greenfeld 255).

The translation took Sugita and his colleagues three years to complete, but it was the first Western book to be translated into Japanese; it appeared in print in 1774 (Greenfeld 255). The fact that Sugita and his colleagues were able to both teach themselves Dutch and translate the book marks a truly momentous achievement. Other scholars began to follow in Sugita’s footsteps, eager to unravel whatever mysteries they could using Western knowledge. In fact, the second Western book to be translated into Japanese was “the Dutch self-instruction manual of 1783” (Greenfeld 255). As this example shows clearly, the Japanese had no trouble admitting that their information was incorrect. Once they had proven the accuracy of Western knowledge, they adopted it wholeheartedly, just as they had done with Chinese knowledge beforehand.
Cultural Roots of Corporate Involvement

*Rangaku* is more than just an example of the aptitude the Japanese have for adopting foreign information and practices. The rise of *rangaku* also presented Japanese scholars with their first opportunity to “compare themselves to the West and develop a sense of cultural inferiority with respect to it,” and led to “the establishment of the West as the significant other and the model for Japan” (Greenfeld 255). The Meiji Restoration represents a culmination of this view. With scholarship valued so highly among the Samurai class, it was not long before they realized that the Western “barbarians” were not as inferior as they had previously believed. At this point, Japan’s evident “culture of copying” comes into play again, as the Japanese realized they would have to beat the West at their own game in order to win their respect. While industrialization and modernization were both critical parts of the Meiji Restoration, Meiji leaders also set out to reform Japanese society in order to better meet the West’s definition of civilization; a definition that many Japanese realized meant similar to the West (Kondo 264).

One of their attempts to do this was through the Meiji civil code, which codified Japan’s unique household structure. The Meiji Civil Code gave legal recognition to “the traditional *ie*, or household” (Kondo 121). What makes the *ie* unique is its basis on shared property, rather than kinship ties, as “*ie* are best understood as corporate groups that hold property…in perpetuity” (Kondo 122). *Ie* function like corporations in that they are often productive units, and always act as a unit of consumption. They can also serve as religious centers and providers of welfare, with younger members of the *ie* caring for sickly and elderly...
members of the household. Most *ie* are organized around a specific family enterprise or business, run primarily by the married couple who form the center of the *ie*. As in real corporations, “*ie* organization is based on a set of *positions* rather than a set of kinship relations” (Kondo 122). The married couple at the center of the *ie* occupy the only permanent position in the *ie*, and the rules of succession are loose at best. The Meiji civil code established rules for preference, with the eldest son being the most preferred successor, but these “preferences” were not strictly enforced by the government (Kondo 124). The only absolute rule is that no matter how many children there are in a family, only one can inherit control if the *ie*, with non-permanent, “junior” members often being relegated to branches of the main household (Kondo 122).

Despite being codified in 1898 (Kondo 124), the *ie* system existed far earlier than that, and forms the foundation for both the artisanal identities of small businesses and the “company as family” philosophy at work in larger firms. Based directly on the *ie* system are *dōzoku*, “large commercial household confederations” (Kondo 162). While an *ie* enterprise might represent a small business, *dōzoku* are large corporations. The key connection here is that *dōzoku* are also family run, though the functional definition of family is not the same as our own. Kinship was determined by membership into the *ie* enterprise more than by blood, and adoption was common place. With such a flexible system of succession, based on preference rather than strict custom, adoption was often used as a way of choosing the best successor for the *ie*:
In general, *ie* continuity takes precedence over considerations of blood relationship, for it is conceivable that blood-related kin can be passed over for an unrelated person who demonstrates competence at the family trade—perhaps a trusted apprentice (Kondo 125).

*Dōzoku* are much larger than a single *ie*, meaning that succession is much less of a concern. Adoption still played an important role in the expansion of the *dōzoku*; in fact, one of the most surprising aspects of the *dōzoku* system is “the degree to which non-kin were truly full-fledged if junior members” of the confederation (Kondo 162). The main *ie*, or *honke*, acts as the center of the *dōzoku*; lesser relatives can be given branches of the main enterprise to manage, as can non-kin “relatives,” so long as they are adopted into the *dōzoku* family. This is not to say that kin and non-kin are indistinguishable, but blood-relation is just one of the many aspects by which branch families are categorized, the others being “age, gender…successors and nonsuccessors” (Kondo 163); even these are just a few of the potential distinctions, but all households are granted membership into the *dōzoku*.

The “company as family” philosophy that some Japanese firms employ (and others still embody) descends from this time when company literally was family. Two factors combined to break this system down. First, the Meiji Civil Code, which gave legal status to the *ie* system, also prevented outsiders from joining the *ie* without marrying in. This most heavily affected merchant houses, who could no longer admit “apprentices, clerks, or other resident servants” into the *dōzoku* as full members (Kondo 169). The growth of capitalism also played
an important role, as wealthy families began to use wages instead of familial obligations to procure labor; residences were also made separate from shops and businesses, further dividing those in the *ie* from non-kin employees (Kondo 166). At the beginning of the 20th century, “employees were outsiders treated like family in cases where the employer wished to demonstrate benevolence” (Kondo 172). When Japan first began its industrialization, factory owners had to cope with a work force that was used to freedom and physical mobility. Managers coped with the transition to longer term employment by adopting policies that “encouraged longer term employment and commitment” and by invoking the power of familialism, showing benevolence by treating employees “like family” (Kondo 172). Lifelong employment guarantees and seniority pay raises were instituted in this period in order to convince workers to remain at factories, a move away from the independence and freedom they had previously known. These policies stuck, and formed the backbone of Japan’s post-war employment system. While they have begun to erode since Japan’s “lost decade,” in many firms these sentiments are still very much a reality.

**The Exclusion of Women**

It is impossible to discuss the *ie* and *dōzoku* systems without also discussing the role that these systems have played in barring women from Japan’s modern employment system. Women were an integral part of the household corporation, typically in charge of managing finances in addition to more typical family related duties. Unfortunately, after the separation of the household and the corporation, women lost this important role. Married women in Japan are still expected to manage household finances, but the separation of the
corporate and domestic environments also represents a split between the role of men and women in Japanese society, with men being resigned to the corporate sphere and women to the domestic.

Indeed, the entire “company as family” system is disrupted by the presence of women; how can they be devoted to their corporate family when they have other family obligations that they should be engaged in? Men, on the other hand, are generally believed to be free from similar family related obligations, and many companies are reluctant to hire women due to the expectation that they will not return to work once they have children. Where dōzoku once provided a way in which women could become involved in the corporate structure, their legacy is what ultimately bars women from much of Japan’s modern employment. However, it is important to note that there is an employment niche in which women are the vast majority, but this will be discussed later on.

**The Role of W. Edwards Deming**

Deming is the final, and arguably most important, variable in the equation that led to Japan’s economic revolution after the Second World War. As I have previously mentioned, W. Edwards Deming’s first visit to Japan was as a civilian employee of the United States War Department, who contracted him to conduct surveys and educate the Japanese on statistical sampling methods (MacArthur 1947). This was not Deming’s first time working as a civilian employee for the War Department. In 1946, Deming took part in an Allied mission to oversee Greek elections, and also worked with the government of India in 1947 as a statistical sampling consultant for the Indian government (Deming 1982). Most of
Deming’s fame comes from his work in Japan, where he had a large impact. Shortly after his arrival, the Diet passed a statistics law marked as “the initial and basic step toward national recovery from the ravages of the war” (Nippon Times 1947). The gathering of these statistics, which Deming oversaw, was very important. An editorial in the Nippon Times discussed the law, specifically how “a master-plan for economic reconstruction” would be impossible to create without the statistics the law would provide:

“Figures,” it is said, “do not lie,” and if the nation’s true situation was made known and a plan was based upon it, the people will find it easier to understand and cooperate with what-ever program the Government may offer (Nippon Times 1947).

Deming returned to Japan in 1950, hired again by the U.S. War Department to aid the Japanese Government with its statistical sampling, specifically speeding up their census, as well as other sociological, economic, and nutritional surveys (Deming 1950).

It was during this second visit that Deming gave his first lectures on statistical quality control in an eight-day series at a variety of universities. These lectures were the first of many “held under the auspices of the great Union of Japanese Scientists and Engineers,” (Deming 1975). Founded in 1946, just after the war, the Union (abbreviated as JUSE) was “a nonprofit organization with neither governmental financial support nor control,” (Kondo 1978) focused on improving the state of Japan through a focus on industrial research and development. As mentioned previously, JUSE quickly became the driving force
behind the development of quality control practices in Japanese industry. Kondo wrote in an article chronicling quality control’s success in that the “the history of JUSE is synonymous with the history of quality control activities in Japan,” and that “if JUSE did not exist or did not perform its roles, the present situation of Japanese industries might be quite different from what it is” (Kondo 1978).

While Japan’s situation did not change overnight, the results were almost immediately noticeable. The widespread influence of JUSE and the diversity of its membership contributed in no small part to this phenomenon. In one of his many speeches, Deming discussed the early successes of quality control in Japan:

Gohei Tanabe Company, Ltd. (pharmaceuticals) were within six months after the first lecture turning out three times as much PAS (Para-amino-salicylic acid) of more uniform quality, with the same machinery, less effort from manpower, same input of raw materials as before… Toyo Rayon Company, Ltd. Had in one year reduced from 500 to 50 the number of girls in their factory near Biwa Lake required to repair cotton textiles… Fuji Steel Company was saving 21 per cent of their fuel in the production of steel. (Deming 1975)

The list goes on, but I think the point is apparent. Deming himself sums it up nicely: “More important than this list of accomplishments was the swiftness with which they were all achieved” (Deming 1975). The resolve with which the Japanese tackled Deming’s quality control teachings is highly reminiscent of their rangaku studies. One reason behind the large early impact was Japan’s lack of
experience with any kind of statistical quality control. It makes sense that there
would be a big difference in the beginning. However, we see more than just a big
impact. Deming may have written that the “economic and social revolution, which
immediately took hold of Japan, upset in 15 years the economy of the world…
shows what can be accomplished by serious study and adoption of statistical
methods,” (Deming 1975) but in reality, he himself had a much larger role than
he would be willing to admit. Kenichi Koyanagi, the first Managing Director of
JUSE, strongly emphasizes the personal role Deming had in the adoption of
statistical quality techniques in many of his speeches and presentations.
Koyanagi claimed that “Dr. Deming’s attitude toward us had no coloring of the
victor and was humanity itself. I can not explain fully in words his deep feeling of
regard for us” (Koyanagi). Not only was the timing perfect, as Deming stated, but
Deming was also the perfect person to teach the Japanese about statistical
quality control. Were either the time or the person different, everything might
have turned out completely differently.

One common misunderstanding is that Japan learned its quality control
ideas from the United States, and consequently American business should be
able to adopt Japanese quality control without any problems. While statistical
quality control was indeed active in the United States during the 1950’s, Deming
had many unique and exceptional ideas on the subject that were not widely
accepted. Statistical quality control was indeed active in the United States during
the 1950’s, but Deming had many unique and exceptional ideas on the subject
that were not widely accepted. Contrary to popular knowledge, Deming was
unable to get an audience with corporations in America; they weren’t really interested in his own take on statistical quality methods. But, by following his teachings, the Japanese were actually able to surpass their American counterparts. He was not originally brought to Japan to teach quality control, but rather to aid in surveying and sampling, but his quality control lectures were more of a side project that took on a life of their own. Deming was invited to Japan twelve additional times after his work with the War Department, and these trips “were financed solely by JUSE, with a ticket and cheque enclosed. JUSE did not ask the Japanese government nor ours for a dollar” (Deming 1975). Quality control was not something forced on Japanese firms, but rather something that they quickly recognized the value of. They were eager for Deming to return and help them learn more about the methods that were giving them so much success. While the aftermath of the war had left large portions of the country in ruins, Japanese firms were able to turn this devastation into an incredible advantage: they were able to build manufactories from the ground up, with quality control systems integrated at the most basic levels, exactly to Deming’s specifications. One often hears anecdotes about how Japanese businessmen used to tour American companies before the trend started to reverse in the 70’s and 80’s. While this is true, the Japanese were actually not touring American firms to learn about quality control, but about other aspects of business. The first of such trips was actually made by Mr. Koyanagi, at Deming’s suggestion. The purpose of the trip was so that Koyanagi could “study management and market research in the aid of Japanese industry” (Deming 1951). Deming’s beliefs about quality control
include the necessity of making use of market research in combination with statistical methods. The Japanese did not go to America to learn about our methods of quality control, for their methods were already superior (thanks to Deming).

Just a few short years after his first trips to Japan, Deming began giving guest lectures on statistical quality methods in the United States. In 1953, he gave a ten-day lecture series at the University of Tennessee; this was one of the first instances of the changes in Japan being brought to light in America. In the three years since the Japanese began using statistical methods, “an increase in per man output from 100 to 230 units, at no increase in floor space or facilities, is not uncommon in Japan” (Knoxville Sentinel 1953). Despite this early lecture’s focus on potential opportunities in America, the United States were slow to react to Japan’s newfound economic prowess. Eight years later, in 1961, Deming wrote in a letter to one of his former Japanese clients, expressing his happiness that “Japanese products are finding markets in all parts of the world where reliability, precision, and dependability are in demand” (Deming 1961). Unlike the U.S, Japan was quick to recognize and capitalize on its own newfound success. In 1962, the president of Nihon Kentetsu wrote Deming a letter thanking him for all of his help over the years. His exact words to Deming were, “The seeds you had sown in 1950 in Japan made flowers bloom beautifully and produced abundant fruits” (Kato 1962).

The United States was initially slow to react to Japan’s manufacturing prowess. By the mid-sixties, the success of Japan’s products was well
established, as was Deming’s fame. He gave numerous academic addresses about his work in Japan and the effects of statistical quality control there, but it was not until the early 70’s that American corporations began reaching out to Deming, requesting his advice. Deming became very wealthy working as a consultant for businesses in America who were desperate to unlock the secrets of Japanese productivity, and they hoped that Deming would be the key. In an exchange with one potential client (Goodyear Tire, to be specific), Deming mentions his surprise at the seemingly belated reaction of American businesses: “You spoke of the success of the Japanese. People everywhere are impressed with the Japanese, and harbor hopes of doing the same thing, even if by now 22 years behind” (Deming 1972). It was around this time that Deming began to present his fourteen points of management. Deming’s fourteen points are a mix of his original teachings and things he learned during his time in Japan. The most striking of his points is the second:

Adopt the new philosophy. We are in a new economic age, created by Japan. We can no longer live with the commonly accepted style of American management, nor with the commonly accepted levels of delays, mistakes, and defective product (Deming Pontiac Seminar).

Deming was strongly affected by what quality control did for Japan, and spent the remainder of his life trying to help American firms reach the potential that he saw in them. Unfortunately, despite his overwhelmingly good intentions, Deming did not have as much success as he would have liked.
Chapter 2: The Role of Culture

When Japanese quality control techniques fail in American firms, “culture” is the most frequently cited reason. But if culture prevents these techniques from being applied properly outside of Japan, then how is it that some American firms are able to make them work so well? In 1964, Deming gave an address to the American Society for Quality Control on the state of statistical quality control in Japan. During his address, he presented six points that he deemed important in explaining the “success and speed of application of the statistical control of quality” in Japanese industry (Deming 1964). The first of these points is simple: “They are Japanese” (Deming 1964). Deming was certainly not an expert on culture, or even a scholar of Japan and Japanese history; he was a statistician. So what then did he mean by this first point? And what was it he experienced in Japan that caused him to rank this as the first point in his explanation of the success of quality control in Japan? What part of being “Japanese” contributes to the effectiveness of quality control in Japan? Culture does play a large role, but before we can examine the role culture plays, we first must define what we mean by the term “culture.” We need to take a closer look at what exactly culture is and how it works before we can understand both Japan’s historical ability to adopt foreign cultural influences and what American firms need to do to adopt Japanese practices successfully.
Defining Culture

Culture is a vague term used in many different academic fields, with operational definitions varying greatly both between and within disciplines. As Raymond Williams writes in *Keywords*, “Culture is one of the two or three most complicated words in the English language” (Williams 87). In its original form, culture referred to horticulture; it “was a noun of process: the tending of something, basically crops or animals” (Williams 88). Today, culture still retains this meaning in some contexts, as in ‘bacterial cultures,’ for example. Williams does a wonderful job of tracing the history of this word, but he ultimately leaves us with the conclusion that culture can mean many things. It is hard to find a definition of culture that applies accurately to this specific issue, as we are examining the intersection of two specific types of culture. Many academic studies have been conducted on organizational and corporate cultures, but much less research has been done concerning the interaction between corporate and non-corporate or national/ethnic cultures. Part of the reason why defining culture is extremely important to this argument is because some theorists would not consider “corporate” or other “engineered” types of culture to even be culture, while other definitions deny a causal relationship between culture and decision making. However, as I have previously mentioned, “culture” is the most commonly cited obstacle to the adoption of Japanese practices; as such, it is important to define exactly what that means.

Today, many American firms try to create corporate cultures that foster productivity, perseverance, and other desirable traits. Often, they do this by trying
to mimic Japanese corporate environments. The difficulty here is that Japanese firms do not have to consciously manage their “corporate cultures” in the same way. Many of the values that give them advantages in productivity and quality are more deeply rooted in Japanese culture. We often seek cultural explanations in situations where “different groups behave differently in the same structural situation” (Swidler 277). This is exactly what we see when examining case studies where the importation of Japanese practices has failed: American workers are simply not behaving in the same fashion as Japanese workers, despite the mimicking of exact structures. Still, there does not seem to be a concise answer as to whether or not cultural differences are the underlying cause of these difficulties, as we also see cases of American firms adopting Japanese practices successfully. These inconsistent results further muddle the issue of culture’s role in this problem. I believe multiple existing views are needed to examine exactly what is going on, because as I mentioned before, the process of adopting a foreign management scheme involves an intersection of several different types of culture; we have certain aspects of “general” or “national” Japanese culture that are reflected in their employment system and in the structure of their businesses. Additionally, the distinct corporate cultures in both Japanese and American firms play a key role. Companies in each nation might reflect sentiments from their national culture more or less strongly, which can prove an important factor in the transference of culture along with management and production techniques.
Theoretical views on culture generally range somewhere on a spectrum of two opposing views. The first view of culture is that it acts as a constraining force, keeping our ideas and behavior corralled in structures determined by whatever culture we are raised or immersed in; that everything we think or do is inevitably affected by culture. On the opposite end of the spectrum is the view that culture exists only to offer additional options and thought processes in order to deal with the different problems or situations that arise in daily life, and we are free to make use of it as we see fit. Between these two opposing views, the basic dichotomy is one of agency versus control; either you use culture, or culture uses you. Both of these views reflect stances on the adoption of Japanese quality control methods. Management scholars might argue that the methods must be altered in order to operate within our own culture, while at the same time some firms attempt to manage their corporate cultures in order for these practices to be more easily integrated. Each side has its own innate problems. Change the practices too much, and you risk undermining the effectiveness that makes them so desirable. One the other hand, managing corporate culture is a difficult process that often has unforeseen side effects, particularly outside of the workplace. Both of these two opposing views on culture are important in understanding this issue, as well as additional theories regarding what exactly constitutes a cultural object, or how to approach the examination of culture. Corporate culture and ethnic or national culture are also examined differently, so when discussing their interactions, it is important to be clear about exactly what we are looking for. Additionally, even setting aside the issue of culture, both
control and agency are important aspects of all management theories. Corporations build strong “corporate cultures” because they believe “normative control offers increased freedom and autonomy, individualism rather than groupthink, creativity rather than conformity” (Kunda 16). Normative control is supposedly less restrictive than formal rule structures, but in many instances, we don’t see this as being the case. Especially in Japan, normative control is a very powerful restrictive force in the work environment. Because of this contradiction, neither main view on the role of culture presents us with a single answer.

The central idea of “corporate culture” in relation to management is to use existing cultural norms in such a way that workers act in a productive manner. Gideon Kunda wrote an ethnography about a company in the high-tech industry that was known for having a strong “corporate culture.” He writes that when discussing organizations, “culture is generally viewed as the shared rules governing cognitive and affective aspects of membership” with a focus on “the shared meanings, assumptions, norms, and values that govern work-related behavior” (Kunda 8). A strong organizational culture is characterized by “intense emotional attachment and the internalization of ‘clearly enunciated company values’ that often replace formal structures” (Kunda 10). According to this definition, all large Japanese firms have a strong corporate culture, and this is the environment that American firms are trying to create.

**Interpretations of Culture’s Causal Power**

Ann Swidler is a sociologist whose main research has been on the interplay between culture and institutions. She is a strong proponent of the view
that humans use culture for their own purposes. She describes culture as “a ‘tool kit’ or repertoire from which actors select differing pieces for constructing lines of action. Both individuals and groups know how to do different kinds of things in different circumstances” (Swidler 277). This tool kit will include “symbols, rituals, stories, and other guides to action” (Swidler 278) that actors can use to accomplish their goals. While this view has several shortcomings, it is an important view of culture to examine with respect to the phenomenon of corporate cultures. Corporations that attempt to design or manage cultures are attempting to do exactly what Swidler describes: provide their workers with a set of tools to use in the situations they will encounter during their work. Theoretically, the best corporate cultures will be the ones that include the tools necessary to optimize the productivity of their workers. In the context of corporate culture specifically, culture is often described as being something that employees must use to accomplish their goals (which generally include succeeding at the company). Swidler also proposes a theory about the causal power of culture during both settled and unsettled periods. Her theory can be applied to a single lifetime, with certain times being more culturally settled than others, or even to “certain historical periods” of cultural transformation within a society (Swidler 278). Post-World War II Japan is probably one of the best examples of a society going through an unsettled period that you can find. Swidler’s argument is essentially that culture has greater causal power during these “unsettled” periods:

In such periods, ideologies – explicit, articulated, highly organized meaning systems (both political and religious)—establish new styles or
strategies of action. When people are learning new ways of organizing individual and collective action, practicing unfamiliar habits until they become familiar, then doctrine, symbol, and ritual directly shape action (Swidler 279).

This statement can be applied perfectly to the adoption of Deming's techniques following the war, and we can see the importance that "doctrine" and even "ritual" gain in the Japanese firms that are working to adopt new methods of quality control. The Meiji Restoration also comes to mind, specifically how the Meiji Civil Code tried to rearrange the traditional ie system. Following Swidler's theory of unsettled periods, it makes sense that early industrialists would invoke these traditional values to comfort workers during a time of change and uncertainty.

During "settled" periods (in other words, most of the time), Swidler generally argues against the causal power of broader societal values and ideologies. She cites Weber's seminal work on Protestantism as an example against this, claiming that "Weberian students of culture have been embarrassed by their success in finding functional equivalents to the Protestant ethic" in many countries where Weber would not have looked. Japan is in fact a perfect example of a non-Western country seemingly influenced by the "Protestant Ethic" without any traces of Protestantism or even Christianity. Swidler uses this as just one example indicating that cultural values do not have the causal power often attributed to them. She also denies causal power of cultural values based on the fact that culture changes just as readily as patterns of economic growth or political activity. In the case of Weber's argument, she argues: "Far from
maintaining continuity despite changed circumstances, a surge of ideological and religious activity has propelled the transformations modernizing societies seek” (Swidler 278). Without this continuity, she believes that culture can’t have “enduring effects on economic action” (Swidler 278). I believe this to be a major flaw in her argument; culture doesn’t need permanence to be a powerful force in determining people’s thoughts and actions. Michael Schudson, another sociologist who studies culture, writes that “ideas or symbols or propaganda successfully manipulate people…successfully molding the ideas and expectations and presuppositions of the general population” (Schudson 155). Swidler’s identification with the “tool-kit” model of culture as an argument for agency also seems flawed. While it is true that in theory you might be free to make use of cultural tools as you see fit, you are also limited in your actions by what tools you possess. Kondo sees this as a restrictive view, commenting that in her time at the Sato factory, her female co-workers were restricted to using only those options which were already culturally accessible when asserting their identities in the workplace (Kondo 293). In this context, Kondo believes this view of culture to be highly restrictive, limiting the ways in which her female co-workers could assert their identities in the workplace. Essentially, the “tool-kit” view of culture can be used to support both sides of the agency/control debate.

Schudson himself claims to be somewhere in the middle of the control/agency cultural spectrum. Since he advocates the necessity for a moderate view, that culture both constrains and enables us, many of his opinions resonate strongly with management theory. Schudson believes that culture “is
the unspoken backdrop to our thoughts, acts, and messages,” and that “the unspoken presuppositions that constitute culture do turn up in palpable form…through cultural objects” (Schudson 155). In this case, the cultural objects would be social structures and behaviors that exist in the Japanese work place; these are the objects that firms in the United States are trying to appropriate, and as Schudson would say, they aren’t “working.” Schudson describes five different ways in which cultural objects can have efficacy, how he believes that culture “works.” Three of these forces are of particular interest when discussing attempted adoption of Japanese quality control practices: “rhetorical force,” “resonance,” and “institutional retention.”

Rhetorical force is the hardest of these principles to pin down. According to Schudson, rhetorical force is what “makes one novel more powerful than another, one advertisement more memorable than another, one ritual more moving than another” (Schudson 164). Pinning down exactly what determines power or memorability is hard to say, but two key parts of rhetorical force are the audience and the setting in which the object exists. It is clear that different cultural objects can have varying levels of importance or even entirely different meanings when exposed to different audiences. For example, cows have an important role in Hindu religion, giving them protected status in some Indian states, but in America, cows are rarely seen as anything more than food. But, setting also makes a big difference. Continuing with the same example, a cow on a feed lot is probably treated much differently than a cow in a petting zoo. Schudson believes there is another part of rhetorical force, but he has trouble
defining it and admits that “some would be sure to deny that a cultural object of message can ever have such a thing as rhetorical force in its own right, separate from its relationship to the audience and its relationship to the cultural field it is as part of” (Schudson 165). This position is easy to understand, as audience and setting have such a huge influence on rhetorical force. But, for the purposes of this discussion, Schudson’s indescribable third aspect of rhetorical force is ultimately the least important, since the settings (America and Japan) and audiences (Americans and Japanese) are so radically different.

Resonance is the next ingredient necessary to make culture work. Schudson describes resonance as “a property not only of the object’s content or nature and the audience’s interest in it but of the position of the object in the cultural tradition of the society the audience is a part of” (Schudson 169). Japanese quality control techniques do not have a solid position in America’s “cultural tradition,” and often times it is a lack of resonance that causes them to fail. The ie and dōzoku are cultural traditions that offer the perfect place for quality control. When corporate success translates so directly to personal reputation, quality control was a natural fit. America does not have the same history of company devotion, nor does it have such a strong history of artisanal craftsmanship. Though formal social classes were abolished with the Meiji Civil Code, these structures remained informally for many years, and small, family-run artisanal enterprises still exist today, succeeding not through manpower or capital but by making extremely high quality products.
Institutional retention is much easier to explain; Schudson writes that culture “exists not only as a set of meanings people share but as a set of concrete social relations in which meaning is enacted, in which it is, in a sense, tied down” (Schudson 170). Institutions are the vehicles through which people give cultural objects meaning: “Social institutions not only preserve and pass on in powerful ways the culture they certify but they act as gatekeepers in the certification process itself” (Schudson 171). There is no doubt that quality control was (and still is) highly institutionalized in Japan, thanks to the Japanese Union of Scientists and Engineers who wholeheartedly adopted and spread Deming’s teachings throughout the 1950’s. Corporations are also much more effective social institutions in Japan than they are in America. Japan is a country where national heroes are successful businessmen and CEO’s, and working for a corporation with a reputation for high quality products gives you a large amount of social prestige. While unlocking the secrets of Japan’s successes is still a popular topic in the American business world, Japanese-style quality control is far from institutionalized in the United States because of how variable success has been among American firms. Some firms have had very positive results, like Alcoa and New Balance, and Japanese firms operate in America in increasing numbers (such as Toyota, Honda, YKK, Sony, etc). Still, Japanese quality control techniques will always struggle in the United States without widespread institutionalization. One major obstacle to the institutionalization of quality control was Japan’s economic crash in the 90’s. Even though this crash was caused by the bursting of a greatly inflated asset bubble, which had nothing to do with what
Japan's most successful companies were doing, most American firms began to dismiss anything coming from Japan as useless because of their economic downturn (Spear 2012). This was ultimately a mistake, as the wide institutionalization of Japanese quality control could have helped American industry. Given our current economic situation, there are still likely to be many things we can learn.

**Fortuitous Circumstance?**

Professor Stephen Spear, currently a senior lecturer at MIT, wrote in his article *Decoding the DNA of the Toyota Production System* that “many visitors assume that the secret of Toyota’s success must lie in its cultural roots. But that’s just not the case” (Bowen & Spear 97). Spear cites Nissan and Honda as firms that have “fallen short of Toyota’s standards,” as well as the fact that Toyota’s effective methods have been successfully spread around the world as widely as the company itself (Bowen & Spear 97). I had a chance to speak to Professor Spear, and much of what he had to say was reminiscent of Yoshio Kondo’s views. To re-quote Kondo, “we should not allow differences in culture to be utilized as excuses for failures in introducing and promoting foreign ways” (Kondo 2000). Spear questioned whether it was culture or circumstance that had the larger role in Japan’s quality control revolution, and this is something important to consider. “Things were desperate in Japan…There was the threat of the American consumer colossus intruding” (Spear 2012). Circumstance did indeed play an important role beyond Japan’s desperate situation. Without the formation of JUSE and its efforts to spread Deming’s teachings, and without Deming himself
being so well suited to instruct the Japanese in quality control, Japan’s history might have been quite different. It is impossible to deny that these are all fortuitous circumstances that contributed to Japan’s economic growth; circumstances that were not present in the United States. The 1950’s and 1960’s were years of “fantastic affluence” among American manufacturers; few people saw the need for quality control (Spear 2012). Unfortunately, with culture being the intangible, immeasurable force that it is, the existence of circumstance is not enough to discount the role of culture.

Similarly, though Spear’s research on the Toyota Production System is a clear indicator that culture does not ultimately prevent Japanese quality control systems from being adopted by American firms, this does not preclude the possibility that culture also serves as an obstacle. When you consider the fact that culture can be both an empowering and a constrictive force, this does not seem contradictory. Though Spear believes that any company could adopt the Toyota Production System, he does remark that “few manufacturers have managed to imitate Toyota successfully – even though the company has been extraordinarily open about its practices” (Bowden & Spear 97). The Toyota Production System is a good example of culture’s potential functional role in the adoption of quality control techniques. Toyota’s Production System is a group of tools packaged within a specific cultural toolkit available to Toyota’s workers. Toyota can share these tools with whomever they want, but that does not guarantee the tools will work. Without rhetorical force, resonance, and institutional retention, these tools will consistently fail to work. However, all three
of these things can be fostered on a company-wide basis via the management of corporate cultures, so long as American firms are willing to put forth the effort; culture can only determine the fate of quality control in America if American firms let it...
Chapter 3: What Makes Japan Different?

This bifurcated economic system is one of the major contributors to Japan’s economic success, as “subcontractors and part-time workers…provide the floating labor force necessary to the preservation of benefits and security for full-time (usually male) workers in large firms” (Kondo 53). In particular, lifelong employment can only exist in this system because during periods of economic hardship, large firms can shift the burden onto their subcontractors in order to avoid firing any of their permanent workers (Kondo 52).

Chu-shō Kigyō

While many of Japan’s large corporations may have evolved from dōzoku, chu-shō kigyō are its direct descendants. Chu-shō kigyō are a specific type of small business or enterprise; a firm is determined to be chu-shō kigyō depending on the number of employees, always small but differing in size based on the type of enterprise (Kondo 50). For example, a manufacturing chu-shō kigyō would have many more employees than a retail or wholesale chu-shō kigyō, but would still be small relative to non- chu-shō kigyō manufacturing firms. Additionally, even though chu-shō kigyō is a specific category of firm with narrow size requirements, the variety found among them is staggering. Chu-shō kigyō can be manufacturers, retailers, wholesalers… anything, really. And while some might be struggling to remain afloat, many are successful or even lucrative (Kondo 50).
Dorinne Kondo writes extensively about _chu-shō kigyō_ in her ethnographic work on identity in Japan. Of particular interest is how workers create identities when family and work are so interrelated. One of Kondo’s informants was a metal worker who worked with his sons, subcontracted to make parts for video game consoles. While he often had to work twelve hours a day “thanks to inflation and the low price per unit” they received for their parts (Kondo 55). Despite the hardship he and his family endured, the man was eager to expound on the benefits of the _chu-shō kigyō_ lifestyle: “I like having my own work, making my own product on my own time. Not everyone in Japan is a retainer of a feudal lord (_kerai_)” (Kondo 56). The sense of independence and freedom associated with the entrepreneurial/artisanal lifestyle of _chu-shō kigyō_ is highly coveted by their owners and the people that work in them. Though they often end up working harder and longer than their white collar counterparts, _chu-shō kigyō_ workers are much more immersed in _uchi no kaisha_ sentiment (and more often than not, _chu-shō kigyō_ firms are still family run or at least family owned), and have direct control of their means of production.

_Chu-shō kigyō_ still embody the traditional values of _dōzoku_: company and family are the same or still tied together, and pride in workmanship reflects directly on the enterprise, making quality extremely important. Larger, more modern firms try to emulate these values. But, since the scale is so much greater, they use intermediary policies that create an environment in which these values can still thrive. These polices are “life-time employment, enterprise unionism, and seniority wages” (Pil et al. 374). None of them could exist without Japan’s two-
tiered economy; *chu-shō kigyō* firms provide a stable upon which larger
corporations can support themselves, as often times these polices are very costly.
However, Japan’s famed productivity is a result of the combination of these
practices and the way in which they sustain *uchi no kaisha* (or alternatively
forestall labor alienation). Other key components of the Japanese work
environment often include, but are not limited to, “team-based production
methods, worker participation in problem solving, job rotation, a small number of
job classifications, few distinctions between management and employees,” as
well as “high levels of training” that are often specific to the company or even the
job being performed (Pil et al. 375). High levels of worker involvement are
necessary for the success of all of these practices.

**Quality Control**

Quality control practices can differ among Japanese firms, but there are a
few attributes that they all have in common. These key attributes are what make
these methods effective in Japan, while also making their adoption by Western
firms difficult. The main premise shared by all quality control methods is a high
degree of worker involvement. Total quality management, quality control circles,
quality control groups, etc. all accomplish the same goal by making the workers
invested both physically and mentally in the manufacturing process. Incentives
are given to workers to provide suggestions as to how manufacturing can be
made more efficient, and there is an intense degree of cooperation between
workers, and even departments, within a firm. This cooperation greatly aids in
efficiency, and the strict regulation of quality throughout the entire manufacturing
process helps reduce the number of defective products, in turn lowering production costs. The overall goal of these practices is to maintain the highest degree of quality possible, and in doing so, reduce manufacturing costs in order to maximize profit. Normally higher quality products are associated with higher production costs, but the Japanese have shown that through the use of strict quality control methods, this does not have to be the case.

There are several fundamental differences in the assumptions that Americans and Japanese make about employee behavior, business relationships, cost management, and performance evaluation systems (Young 678). These assumptions allow these methods to work so well in the Japanese environment, while simultaneously making them difficult to implement efficiently in the American work environment. Three practices rest at the foundation of what makes these two environments so different: “life-time employment, enterprise unionism, and seniority wages” (Pil et al. 374). On this foundation, the Japanese have been able to develop their famous quality control methods. Key components often include, but are not limited to, “team-based production methods, worker participation in problem solving, job rotation, a small number of job classifications, few distinctions between management and employees,” as well as “high levels of training” that are often specific to the company or even the job being performed (Pil et al. 375). As mentioned above, each aspect is driven by a higher level of worker involvement.

Each of these three fundamental differences has a large impact on the success of importing Japanese management methods. While the roots of these
practices are in part cultural, they are very much economic in nature. In theory, they could be adopted by any U.S. company. The reason why they are not is that U.S. firms tend to believe practices like seniority wages and guaranteeing lifelong employment are too costly and will put them at a disadvantage relative to other firms. Trying to directly imitate other Japanese practices without instituting these major reforms is difficult or impossible, as they all rely on high levels of worker training and involvement. Because these practices are all so worker driven, American firms won’t be able to successfully integrate them unless they engage and invest in their workforce as much as the Japanese do. The bottom line is that Japanese workers (of all levels) are very focused on the success of the company as a whole. Workers are invested not just in their personal success, but also contributing to the success of the company. This difference in philosophy is derivative of the collectivist mentality embodied by Japanese society, and is also the cultural reasoning behind the types of quality methods that have emerged in Japan. While I would not argue that American firms need to make this fundamental shift in focus (nor do I think they would be able to), it is important to recognize which practices can be successfully imitated, and which rely too much putting company success over personal success. Most Japanese techniques will prove inefficient in American firms unless they are willing to invest in their workforce to a higher degree.

**Enterprise Unions**

Enterprise unionism represents the collectivist aspect of Japanese society, along with fundamental differences in how workers should relate to their
companies. To be specific, “an enterprise union consists solely of regular employees of a single company, regardless of their occupational status up to lower management levels” (Suzuki 390). Like many Japanese business practices, enterprise unions encourage cooperation between the different departments in a firm. Automobile manufacturers are a good example of differences in unionization practices, because it is so easy to compare the two industries. All Japanese manufacturers in Japan have “enterprise or company-based unions” (Pil et al. 375). These unions were popularized during the Allied Powers’ democratization program in Japan, and early on, union densities were up to 56% (Suzuki 391). This didn’t last long, and after some fluctuations, unionization peaked at a density of 34% (which is still very high). Currently, the average percentage is only 18%, but this varies greatly depending on the industry, with some sectors still having union densities as high as 44% (Suzuki 391).

These enterprise unions, while accomplishing many of the functions that industry unions serve in America, are fundamentally different. Because these unions are made up only of workers within one company, and because upper-management positions are typically occupied by people who have been production workers, there is a lot more support for union activity. All manufacturing plants in America owned by the Big Three are represented by the United Auto Workers Union. Only a third of Japanese transplant companies are similarly represented, and the transplants that aren’t yet unionized have expressed the intent to remain that way. However, all of the non-unionized
transplants have set up systems within the company that mimic the functions of enterprise unions, such as "committees of worker representatives…to raise concerns, provide input, and learn about future plans" (Pil et al. 375). These committees are taken seriously, and are effective at providing an outlet for worker input. Japanese transplant manufacturers are likely trying to avoid the adversarial relationship that typifies union activity in the United States. With enterprise unions, there is a strong sense of cooperation between the union and upper management. In fact, many top management positions are filled by people who occupied leadership positions in the company’s union during their time as a worker (Pil et al. 375).

**Lifelong Employment and Pay Differentials**

Life-time employment is not just a characteristic of the work environment, but also an indicator of larger, fundamental differences in the structure of Japanese employment. This system of employment emphasizes "security, employee involvement, and training as well as age-based earnings" (Brown and Reich 124). Lifelong guarantees of employment (and an increasing wages as long as your remain with the same firm) mean that employee turnover in Japan is much lower than in America or Europe, and that employees remain with the same firm for a much longer period of time (Tsuneki et al. 532). Without the same company loyalty that exists in Japan, American firms find that programs like special job training and employment guarantees are too costly, as you could invest in a worker who then ends up leaving the company. Additionally, the assumption that a worker will want to stay with the same company as long as
possible just does not exist in America. This might be because it is easier to get a higher level job in a different company then it is to advance within their own.

With the existence of seniority wages in Japanese companies, advancement does not matter as much, as workers can remain in the same position and still receive higher pay. The pay differential among production or maintenance workers in the same category in Japan is usually somewhere between 120% and 200%, compared to a 10%-31% difference in American manufacturing firms (Pil et al. 376). What this means is that in Japan, the highest paid production worker will be getting paid two or three times as much as the lowest paid worker in the same classification. Granted, these senior workers will have additional duties and responsibilities, but this is still a huge difference from the environment in the United States. Additionally, differences in pay between workers and supervisors are much smaller than they are in the U.S. The highest paid worker in Japan will usually earn about 30% more than the lowest paid supervisor, while in the United States they will earn 10%-15% less (Pil et al. 376). The ideas behind these pay differentials are to encourage unity and a sense of community between workers of the same level by making pay based on seniority, and to also encourage cooperation between workers and management by reducing the pay difference between those two categories. These pay differences are even present at the highest level. For example, according to a recent study by the ILO, “top executives in large Japanese firms (CEO) earned on average 52 million yen (total compensation), which was equivalent to around 11 times the average annual earnings of employees” (Suzuki 390). One the other hand, the
study found that “the average pay of CEO in the USA was 183 times that of average employees” (Sasaki and Hutchins 390). Most Japanese CEO’s reach that position through a succession of internal promotions, and have a long history with the company. In America, a CEO only has a long history as a CEO, or in other high-level management positions, at other companies. This difference in pay values between CEO’s is highly indicative of the fact that Japanese workers are willing to sacrifice personal well-being for the success of the company.

Lifelong Employment and Women

Though the exclusion of women based on traditional dōzoku values is slowly eroding, there are other barriers preventing women from becoming involved typical Japanese employment structures. Lifelong employment is one of the chief factors providing an obstacle to women. Lifelong employment’s most important role is to secure a place for workers who have been heavily invested in. Japanese firms generally don’t worry about the amount of training and skill development they put into their workers, because they know that they will be the ones to benefit from that training. Additionally, thanks to a system of seniority-based wages, these freshly hired young workers will have relatively low wages during their initial training period (Weathers 201). Japanese firms are generally unwilling to hire female workers full time, because they believe the training costs will be wasted when they leave the firm to have children (even if these women express that this is not their intention). When women are hired, they are “usually expected to quit by their mid- to late twenties, before they could start to earn significant seniority-based pay increases”
(Weathers 201). It’s important to recognize that while women are often excluded from traditional employment, this does not mean that they are not working. Many women in Japan work part-time jobs. Unfortunately, part-time work in Japan as certain negative connotations to it, and the fact that women are almost exclusively relegated to part-time work raises an entirely different set of issues that they must deal with. The consequences of this will be explored in greater detail in the final chapter.

**Training**

Joining a firm, even as a production worker, is a lifelong commitment, and employees of all levels see significant development during their tenure. Most firms actively attempt to recruit fresh college (or high school) graduates, so that they can build them into exactly the kind of worker they want. Graduates are typically hired annually so that there are no gaps in “age level,” as the Japanese feel that the company (like a family) should be self-perpetuating (Shiba 11). The general homogeneity of the Japanese workforce (in comparison to the American workforce) makes this very possible (Pil et al. 375). In fact, Japanese companies “hire people not for a specific job, but for a wide variety of work in a specific company” (Shiba 6). This makes designing programs to integrate new employees into the operations of the company easier to develop, and also makes job training more effective and useful. In America, many firms desire applicants that have “work experience,” often making it difficult for students to get jobs right after college without first doing an internship. This is in stark contrast to the Japanese
environment, where no such concept exists, and students apply for jobs immediately after they finish schooling.

In fact, "work experience" can actually make it harder to get a job; if a Japanese worker leaves his company, other companies might have reservations about hiring him for two reasons. The first, and most obvious, is that it is against the cultural norm for workers to leave their company. No one will want to hire a worker who has done so; what is to keep him from leaving their firm as well? The second reason is that they will have to retrain him in their own company's practices. Newly hired graduates might spend up to a month at the company's main office in Tokyo learning "the history of the company, its corporate philosophy, its products, its organization, and other information considered essential" by those higher up in the company (Shiba 10). Additionally, even though you might be a supervisor in one company, you would have to start at the bottom rung (and subsequently lower pay level) of your new employer's ladder (Suzuki 390). Experience at a different company might not be seen as applicable due to differences corporate philosophy, but even if it were, seniority wages would still apply. With all of these rules in place, it is very rare for workers of any level to change firms.

Exceptions

It is important to recognize that although lifetime employment is the norm, it is not always a guarantee for everyone in the firm. At automobile manufacturing plants, "life-time employment is offered only to a set of core employees. Part-time, seasonal, and contract workers are used to handle demand fluctuations and do
not receive employment guarantees” (Pil et al. 375). This is a product of Japan’s two-tiered economy. Sometimes, entire chu-shō kigyō enterprises will be contracted, with workers who typically do not receive any benefits at all. While this sounds sensible from a business perspective, there is a problem with transferring this principle to American firms. Again, looking specifically at automobile manufacturers, temporary workers tend to make up at least 10% of the workforce in Japan; transplant firms in America typically only have 1% of their workforce made up of temporary workers (Pil et al. 375). This makes it extremely difficult for transplant firms to determine which “core” employees to give lifetime employment to, because there are so few temporary workers. All transplant automobile manufacturers observed in the aforementioned study did have employment guarantees of some kind, just not to the same extent that their Japanese counterparts do (Pil et al. 375). American-owned automobile manufacturers do not have similar guarantees (except in cases where unions are involved), but operate with similar workforce percentages (with few workers classified as “temporary”). This trend has been changing recently in Japan, with the decline of the economy bringing in more and more “temporary” workers who get paid less and are excluded from the traditional benefits of the Japanese employment system (Suzuki 390). It is impossible to say whether or not this will continue, or if additional “permanent” workers will be hired as the economy improves. The strong unions in Japan will certainly work towards that goal, but it is easy to imagine firms being reluctant to give up cheap labor.
Knowing that their workers will be a part of the firm for so long, it makes sense that Japanese firms invest so much in worker training and worker involvement. Western firms would be afraid that after receiving so much job training, they would risk the worker leaving the company before they could recoup their training costs. The Japanese have no reason to fear this scenario, so it is easy for them to invest heavily in their workforce. In Japan, the largest “component of training…occurs on the job, and every supervisor and manager is responsible to do this training” (Brown and Reich 128). Even though this training is on the job, it is often strictly structured. Workers who have roughly four or five years of work experience act as mentors and instructors to newer members, becoming actively involved in the training of new workers. Using older production workers (who typically have the same amount of education as their younger counterparts) to provide structured on-the-job training helps justify the increased pay these workers receive while also saving the firm the costs of off-the-job training (Brown and Reich 124). Not only is this method cheaper and more efficient, but on-the-job training from these experienced production workers is often more effective than off-the-job training would be. The amount that the Japanese invest in their workers, at all levels, is a key component of the effectiveness of their quality control strategies. This is because “QC in Japan is characterized by company-wide participation, from top management to the lower-ranking employees” (Sasaki and Hutchins 2). All departments and all levels of personnel participate in this effort, which makes the high amount of training that Japanese workers receive very important:
“In order for company-wide QC to be applied we must educate every employee, from the top ranking to the bottom. Through education and training each employee displays his capability to the full, and eventually his infinite possibilities are drawn out.” (Sasaki and Hutchins 3)

Focusing on utilizing workers to their maximum potential is universally important in all quality control methods. Their training is a part of both quality control and increased productivity: “There is a substantial difference between the output of a well-educated and trained worker, and that of an unskilled worker” (Sasaki and Hutchins 11). In the early 90’s, Toyota’s total financial value added per worker hired was roughly $112,000. When compared to Ford, with $68,000, or GM, with only $43,000, we see a pretty obvious gap (Williams et al. 17). Workers in the U.S. don’t receive a comparable amount of job training; they are usually hired for a specific position that they are determined as being already qualified for. In many ways, this process of “filling vacancies” is a shortsighted approach to personnel management (Shiba 12).

**Flexible Job Classification and Rotation**

Lifelong employment, when viewed from a negative angle, can be seen as chaining workers to specific companies. However, within their companies, workers have a lot of freedom. The broad classification of jobs within a company is a flexible system that has many useful attributes. At the most basic level, there is a separation between engineering and non-engineering jobs. In most cases, “non-engineering graduates are usually assigned non-engineering jobs, and engineering graduates are given engineering jobs” (Shiba 13). However, due to
the system of job rotation that most firms employ to give their workers a wide variety of experience, non-engineering graduates can be transferred to some engineering positions, and vice versa (Shiba 13). Part of this flexibility is based on fundamental differences in the concept of work. American workers will go to their job, work their eight hours, and then go home. In Japan, the focus isn’t on time, but rather on the goal of the job. In most cases, this goal is seen as customer satisfaction. A good example of this is a security guard at a Japanese bank, who might help clients fill out forms, or even spend a few spare moments dusting the furniture or sweeping the floor. “Although these tasks are not in his job description, the company expects him to do them, so he does his best” (Shiba 15). Japanese firms have broad job classifications because workers are generally required to do whatever is needed to satisfy the customer, making it hard to strictly classify the duties of a position. Additionally, "job content can be changed in order to attain the objective more effectively," meaning that the worker must be able to adapt (Shiba 15). Job rotation and structured on-the-job training on important parts of making sure workers have the knowledge and experience to operate effectively, and when new technologies or practices are incorporated that require additional training, job rotation allows the firm to efficiently introduce them to its workforce. Japanese transplant automobile manufacturers always maintain the practice of job rotation, while American firms have been slow to adopt it.

In addition to its other advantages, job rotation is thought to “foster flexibility and involvement on the part of the work force,” which in turn allows
them to be more productive (Pil et al. 378). The adoption of this practice among American manufacturers is likely hindered by the strict way in which positions are classified, and in most cases, workers are more than capable of performing more than one set of duties. American management methods tend to stress output over quality, and incentivize workers with bonuses for productivity (Ross and Ross 15). The structure of manufacturing, which generally has multiple pieces of the final product assembled in different locations and then combined in another location, compounds the chance that a product will be defective. A mistake at any step in the manufacturing process ruins the end result, as firms tend “to check product quality at final inspection to separate good products from the bad” (Ross and Ross 17). American firms feel that by emphasizing output over quality, they can make up for the loss of defective products through sheer numbers; they expect a certain percentage of products to be defective “and thereby vastly underestimate the related costs” (Ross and Ross 17). While the overall economic value of the firm’s output might be positive, by focusing on quality and reducing defects to zero, Japanese firms save a substantial amount of money by avoiding wasted work, rework, and disposal costs (Sasaki and Hutchins 5). Additionally, a finished end product will be of a generally higher quality than a product manufactured without similarly strict quality standards.

**Quality Circles: A Combination of Advantages**

Obviously it is the ability of Japanese firms to maintain these quality standards that makes them so profitable. Starting with the basic statistical quality control methods they learned from the U.S. army, the Japanese have evolved
their quality control techniques over the decades (Shiba 28). The current iteration of quality management is in the form of quality circles (also known as quality control circles or QCC). Advocates of QCC maintain that it is not just a management technique, but a completely new perspective on how a manufacturing firm should operate. The basis for QCC is “the idea that everyone would like to use his brain in addition to his labor” (Ross and Ross 1). Though these circles allow for huge savings on the part of the firms, they are about much more than that. In a survey of twenty-four companies using the QCC model, participants were asked what they thought the primary benefits of QCC were. The most common answer by a large margin was “improved communications,” followed by a tie between “job satisfaction” and “improved morale” (Ross and Ross 19). It makes sense that satisfaction and high morale would lead to a base increase in productivity, but by examining the structures of QCC, we can see that there is much more to it than that:

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyze, and solve product-quality and production problems and to improve general operations. The circle is a relatively autonomous unit (ideally about 10 workers), usually led by a supervisor or a senior worker and organized as a work unit. These workers, who have a shared area of responsibility, meet weekly to discuss, analyze, and propose solutions to ongoing problems (Ross and Ross 6).
The basic concept of these circles seems simple enough, but a few key features make them uniquely effective. As with many other Japanese techniques, these features are also what makes QCC difficult to adopt.

The most important feature of QCC is, arguably, that worker participation is voluntary. This is also one of the few features that are “designed to fit with the expectations of American workers and unions” (Ross and Ross 7). If QCC programs were mandatory, they would likely be seen as a way for the management to squeeze more money out of the work force. Voluntary participation also ensures that QCC’s operate more organically, and that those who do participate put in their full effort. The workers involved are the ones to decide what problems to focus on and how to go about tackling them. In practice, this aspect of QCC’s ends up being a double-edged sword. While it is certainly true that QCC would be less effective were they “forced” on workers by the upper management, percentage levels of participation are drastically lower in U.S. firms. Typically, 80% of workers in Japanese auto-manufacturing firms are involved in quality circles, in comparison to 25% of workers in U.S. based firms, including those that are owned by Japanese companies (Pil et al. 378). While technically “voluntary,” participation in these quality groups is likely seen as mandatory by employees in Japan due to large amounts of social pressure. An intense drive to achieve customer satisfaction also plays a large part in this distinction; Japanese workers are more willing to go above and beyond their job description to make this happen.
Even though QCC programs increase productivity, this is not technically what the circles are designed for. “What the QCC sets out to do is create an atmosphere where communication and teamwork will flourish so that workers, because they are happy and contented, will devote themselves to their work” (Shiba 40). While QCC’s can and do address strictly production related issues, it is very important that increasing production isn’t the main goal of the circles. When QCC’s were still being developed in Japan, circles that were created with the goal of increasing productivity were almost always failures. When these groups focused specifically on production, “workers felt they had to work more in order to produce more” (Shiba 40). Workers would end up quitting these QCC’s because involvement in them was unsatisfying. QCC’s are only implemented successfully in the U.S. when this is taken in to account. These programs can’t be applied as a “quick fix” to increase productivity and efficiency; a lot of effort needs to go into preparing a firm for the proper operation of these circles.

As mentioned previously, intensive job training is one of the main things that separate the Japanese and American workforces. This is doubly important where QCC’s are concerned. In order for them to be effective, workers must be taught a variety of “measurement techniques and quality strategies, including cause-and-effect diagrams, pareto diagrams, histograms and various types of check sheets and graphs” (Ross and Ross 7). Circles that have been operating for a while and are ready to tackle more advanced issues will be trained in “sampling, data collection, data arrangement, stratification, scatter diagrams, and other techniques” (Ross and Ross 7). For these circles, problem solving is a
continuing process. After solving one issue, they move to another (usually more
difficult) issue. This continuity is possible because the company supports circles,
not only through training. The company also “gives permission for QCC activities
to be held during work hours and provides conference rooms for meetings”
(Shiba 34). Without this support, it would be impossible for QCC’s to function.

What workers would volunteer to participate in a program that required them to
meet before or after work hours? American companies already have trouble
getting their workers to participate in QCC’s during work hours. Significant effort
goes into making sure QCC’s can operate effectively, and a company must be
fully committed to the true purpose of QCC’s in order to get them to work. While
the cost of the commitment might seem high, the (financial) benefits of having
QCC’s are even higher.

QCC programs are designed to give workers satisfaction by involving
them more deeply in the production process. As previously stated, the benefits to
this are two-fold, but only when worker suggestions are actually implemented.
The implementation of worker suggestions both provides a morale boost to
workers, who see their suggested improvements being adopted, but also a
financial benefit from the nature of the suggestions. Thanks to the extensive
training and support that Japanese companies give their QCC programs, this
financial benefit can be huge. This is well documented, and there are many
examples. For instance:

At Nippon Kokan, K.K., the company reports that there are 8,000
workers in 1,480 circles which accounted for more than $86 million in cost
savings over a 12-month period through worker’s suggestions (Ross and Ross 4). Japanese will often give incentives to encourage workers to submit their best suggestions and to participate in the program. Toyota is probably the best example of this:

In Toyota Motor Company’s Quality Circle program, 527,718 suggestions were submitted in one year, with 86% of them adopted; about $2.5 million was awarded to workers for suggestions. The company figured a return of five-to-one on the amounts awarded (Ross and Ross 4).

In both examples, the most surprising things are the sheer volume of the figures, and the time frame. An $86 million savings per year is a very large amount, especially when you consider that these improvements are permanent in nature, resulting in massive cumulative savings. It is also important to realize that the majority of suggestions are adopted. Even with the high volume of suggestions that Toyota received, they still implemented almost all of them. With a drive to continually improve the satisfaction of customers, along with generous financial incentives and a boost in personal satisfaction, workers are encouraged to keep suggesting improvements. Despite these large potential gains, if improperly implemented, a number of problems can arise. Since QCC’s meet during work hours, they can result in a large loss of productive time if worker suggestions are not adopted, or if workers are trained improperly and are unable to find solutions to the problems they focus on.
The effectiveness of Japanese quality control is well documented, and a lot of these systems could be implemented in American companies. The problem is that the focus cannot be on the financial gains that Japanese methods can bring. If American firms want to implement Japanese practices, they need to focus on the ideas behind them. Truly effective quality control methods require a lot of investment in the work force, and a spirit of cooperation not present in the American work environment. Japanese firms also seem to place a great deal of trust in the bottom level of the workforce. The ideas behind these differences represent the largest barriers to implementing Japanese style quality controls in America. Even by looking just at QCC’s, we can see that these programs don’t represent a quick fix that American firms can use to cut costs and increase productivity. Americans need to either alter existing Japanese practices to conform better to the existing environment, or be prepared to make the fundamental changes necessary to make their employment environment closer to that of the Japanese.
Chapter 4: The Rise of Part-Time Employment

While I maintain that much of the data and postulations I have presented remain accurate, there are a few major lacunae. The first, which I have brought up twice prior, is the role of women in the Japanese work place. Many of the employment standards and the benefits that go along with them are denied women in many fields due to their status as “part-time” workers. The other major lacuna is a growing trend away from the three “traditional” pillars of Japanese employment. Many labor groups are pushing towards purely merit-based promotion schemes, doing away with the current system of seniority pay raises. However, this movement might itself just be a reaction to the growing movement away from lifetime employment guarantees. During the current global economic struggles, lifetime employment has become the most expensive of these practices to retain. Without the existence of permanent employment as a standard guarantee, the promise of pay raises based on seniority is of little importance, hence why a more merit based approach allowing faster advancement would seem attractive. On top of this, increasing numbers of college graduates are forced (or choose) to become “freeters,” roughly translated to free workers. Freeters are young adults who for a variety of reasons shun traditional Japanese employment paths. These young adults work in a succession of temporary positions for low pay and with no options for
advancement. Due to the strong preference for fresh graduates in Japan, the more time one spends as a freeter (either by choice or by circumstance), the harder it is to return to the realm of traditional employment.

**Women and Part Time Employment**

As I have mentioned, most female workers are relegated to part time positions in the Japanese employment system. In fact, in Japan’s temporary services industry, “almost 90% of registered temps are women,” almost all between the ages of 20 and 35 (Weathers 201). Temporary workers are often employed in large firms to do office work, and are sometimes used to cope with demand fluctuation in the same way that larger production firms make use of smaller artisanal firms. Even outside the temporary services industry, the majority of part-time workers are “older married women, rather than mothers with young children,” almost always women who have re-entered the labor force (Yu 494). This current situation is almost ironic, given the role that women played in Japan’s rapid industrialization. Between 1894 and 1912, “women formed an average of 60 percent of the industrial work force in Japan” (Kondo 269).

Demand for part time work in Japan is relatively high, thanks in no small part to the current global financial crisis. This means that plenty of part time work is available for women, and it is not uncommon for women to work two or even three jobs at once. Unfortunately, with part-time employment being relegated to a lesser status in Japan, few (if any) of these positions provide the benefits and security that hard working women deserve.
“Freeters” and Changing Attitudes

The “freeter” movement is also a sign of changing attitudes. Part adaptation and part rebellion, this movement could spell an end to the Japanese employment system as it stands now. Translated most literally as “free person” or “free worker,” the government’s definition is “that they are either people on temporary or short-term contracts, or those who are currently unemployed but actively seeking temporary and short-term contract jobs” (Hama 2006). While official youth unemployment statistics are low, down to 7.8 percent by 2006, estimates put the number of freeters at around two million (Hama 2006). Without including freeters, official statistics for unemployment rates among youth would be much higher. Additionally, the fact that people actively seeking part-time employment are considered freeters by the government makes an interesting statement about Japan’s current employment situation. Either permanent unemployment is so hard to come by that freeters have given up trying to find it, or a certain section of the population no longer considers permanent employment to be a desirable goal.

Ultimately, it is a combination of both of these factors. Though Japan’s economy has improved markedly since the “lost decade,” the global recession has kept many Japanese firms in a difficult position. In an article in the Japan Times, an economics professor at Gakushin Universirty claimed that “young people are victims of corporations shedding new recruits to protect the jobs of their middle-aged and senior employees” (Otake 2002). Japanese corporations often spend years training their workers; it makes sense that they would be
unwilling to sacrifice highly trained older workers for the sake of fresh recruits. Corporations also save money by hiring part-time or temporary contract workers, both because these workers (often women) receive lower pay and do not require benefits such as social security, healthcare, bonuses, etc. This attitude has the unfortunate side-effect of making it more difficult for college graduates to get jobs straight out of school. It also makes it harder for freeters to get jobs later on in life, as the types of jobs that they work do not give them the opportunity to hone a particular skill. Most freeters work “routine and subordinate jobs” ("Government Sees" 2003), where they acquire few skills and have little incentive to improve, since they know the job will only be temporary anyway.

Job skills are one of many things that remain stagnant for freeters. An annual government life report from 2003 found that a freeter’s “annual income is roughly fixed at a level attained in their early 20’s” ("Government Sees" 2003). At the peak of Japan’s economic growth, college graduates were assured a permanent job with rising income levels. Without these rising income levels, many Japanese are concerned that freeters will be unable to support the economy. In fact, the only reason they are able to support themselves on the low paying jobs they work is because many of them still live with their parents, enjoying free room and board. Another large concern is the effect that the freeter phenomenon will have on the age of marriage. Population decline is a critical issue in Japan right now, and a delay in the average age of marriage can only exacerbate this. Decline in population might actually be more closely related to the freeter phenomenon then many Japanese realize. Freeters rarely earn
enough money to cover both their cost of living and also contribute to future savings. This makes marriage prospects bleak, at best. Many freeters only manage to support themselves by living at home; their parents have in turn managed to support them only by having fewer children. Roughly “80 percent of parents meet the costs of university education for their children” in Japan, which is “more than double the number of parents paying for their children’s education in America and Europe” (Cortazzi 2001). While many parents express frustration that their children seem unable to move on, few are willing to force them out of the house.

Unfortunately the efforts of these generous parents come to naught, because money can only buy education itself, not the motivation to use it. Most Japanese college students are forced to begin searching for a job at the beginning of their junior year. This gives them roughly two years of college during which they must decide what they could be doing for the rest of their lives. Needless to say, many students have trouble making such a big decision, and are left with few employment prospects by the time graduation comes. Some know before graduating that large corporate jobs are not for them:

Few [Japanese youths] want to mimic the lives of their fathers, toiling for decades at the same job at the same company. Many youths see their parents working long, hard days, and know that they want something different: Toshio Sato, a confident Waseda University senior who worked hard to land a job with a radio network, said that if he doesn’t
like his work, he’ll leave after a few years. “I’d like security, but my happiness is more important,” he said (Moshavi 2003).

Leaving a hard earned corporate job would have been unthinkable during the economic boom of the 1970’s and 1980’s, but the attitudes of this generation have changed significantly, with a much greater focus on happiness and personal freedom.

While some of this change may have to do with the increasing influence of American culture in Japan, there are many reasons why the “freeter” lifestyle is attractive to young Japanese adults. Starting at an extremely young age, students are subject to enormous academic pressure; even if they are too young to understand how much their success in school will matter later, their parents are fully cognizant, often adding to school pressure. No relief is found after school hours either, as most students are involved in clubs and activities, along with extra tutoring specific to school entrance exams, or for a specific subject. The average 8th grade student will typically spend five hours a week at “cram school” after school hours, and another twelve hours a week participating in club activities (Treml 109). These activities are rarely pursued for recreational purposes, but to make students more attractive for high school and college admission by demonstrating their ability to adapt to a number of different group dynamics. Even Japanese parents are beginning to agree that children are under too much pressure, and that they are not allowed to live their own lives (Ruiz and Tanaka 136). Barely 10% of junior high students “reported spending more than fifteen minutes talking to one of their parents on a Sunday” (Treml 109). Lack of
leisure time and freedom are common problems, and students can begin complaining of fatigue as early as first or second grade (Ruiz and Tanaka 136). The freeter lifestyle could be very appealing to children who have been bereft of freedom and saddled with responsibility their entire lives.

Still, with the way that Japan’s employment system is currently structured, there is no place for “free workers.” While freeters and temporary female workers both supply firms with low cost alternatives to traditionally employed workers, temporary employment only benefits firms and is not a sustainable alternative. It is also important to keep in mind that “part-time employment in Japan often refers to the status of a job rather than the amount of time spent working,” and that many “part-time” workers put in just as many (if not more) hours as their full time counterparts (Yu 495). Unfortunately, as victims of this “lesser” classification, both women and freeters are vulnerable to the same issues, all effects of their exclusion from the traditional Japanese employment system. These issues include lower pay, job insecurity, and the stresses and low cost of living associated with them. Additionally, the longer one remains in “temporary” employment, the lower the chance of receiving a full time job. This effectively removes the potential for freeter work to be a stepping stone into Japan’s traditional employment world.
Conclusion

Ultimately, while culture is not the determining factor of the success or failure of quality control programs, it is what gave the Japanese such a remarkable advantage. It’s important to recognize the difference in history and culture between our two nations, in order to better understand the path Japan followed to achieve its amazing economic growth. The road to success for American firms lies with attempting to fundamentally change the way workers see themselves and their roles in the company. As Deming himself said, “Quick returns, whether by acquisition, or by divestiture, or by paper profits or by creative accounting, are self-defeating” (Deming 1985). When Japan adopted Deming’s techniques, Japanese firms were not thinking about profit margins or stock prices. For them, it was about the success of Japanese industry, and the future of Japan as a nation. As Professor Spear told me, the situation in Japan was desperate. He also said, “A sense of desperation seems to be characteristic of firms that do really well” (Spear 2012). Quality control is about making the best product possible, and without a more meaningful goal than profit, it is impossible for workers to care. Without a long history of artisanal identities and family enterprise permeating our economy, it is harder for firms in the U.S. to inspire the drive necessary to achieve similar levels of quality.

Earlier this year, I was in Washington D.C. conducting research in the
Library of Congress. While I was there, I met my father and some of his colleagues for drinks after they had attended a “quality excellence” award dinner. Since I was in D.C. doing research on quality control in Japan, his colleagues were quite interested in the work that I was doing. My father’s company had just had management trainers from Toyota come to present at their company, and one of his colleagues told me a very interesting joke that has been circulating around U.S. companies that are investing in management research:

A Japanese company and a U.S. company decided to have a canoe race on the Columbia River. Both teams practiced hard and long to reach their peak performance before the race.

On the big day, the Japanese team won by a mile. Afterwards, the USA team became very discouraged and depressed. The management of the U.S. company decided that the reason for the crushing defeat had to be found. A “Measurement Team” made up of senior management was formed to investigate and recommend appropriate action.

Their conclusion was that the Japanese had 8 people rowing and 1 person steering, while the US team had 1 person rowing and 8 people steering. So the management of the US company hired a consulting company and paid them incredible amounts of money. They advised that too many people were steering the boat and not enough people were rowing.

So, to prevent losing to the Japanese again the next year. The US team chose to ignore the report’s findings. The management team’s structure was totally reorganized to 4 steering supervisors, 3 area steering superintendents and 1 assistant superintendent steering manager. They also implemented a new performance system that would give the 1 person rowing the boat greater incentive to work harder. It was called the "Rowing Team Quality First Program" or RTQFP for short, with meetings, dinners, t shirts and free
pens for the rower. "We must give the rower empowerment and enrichment through this quality program."

The next year the Japanese team won by 2 miles. Humiliated, the management team laid off the rower for poor performance, halted development of the new canoe, sold the paddles and cancelled all capital investments for new equipment. They then used the money saved by giving a high performance award to the steering managers and distributed the rest of the money as bonuses to the senior executives.

My father’s colleagues find the metaphor amusing because of how much buzz there is in America firms about “better management,” when none of them seemed to really know what “better management” means. I found the metaphor intriguing because it reveals what I see as the main issue in the American/Japanese quality control: we are trying to artificially create something that happens naturally in Japan. While I don’t think that the artificiality puts us at a disadvantage necessarily, I do think it means we need to be much more conscious of exactly what we are trying to create, and why. As Professor Spear told me, a sense of desperation is characteristic of firms that exceed in quality control. While I am not sure that desperation is necessarily the right word, firms that succeed in quality are firms that strive to be the best and to make the best product. American firms cannot look at quality control as a way to increase profits, or even as a way to cut costs. Quality control in Japan is part of the corporate lifestyle, descended from values that were intrinsic to the operation of Japan’s medieval family-corporate groups. Both their cultural traditions and historical background foster this environment, but it can exist in America too. American
firms just need to recognize that quality control needs to be more than just a technique; it is a lifestyle, a reflection of hundreds of years of Japan’s history.
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