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MOTIVATION OF EMPLOYEES IN JAPAN

By Isao AKAOKA*

I Foreword

In recent years, the Japanese style of business management or the Japanese style of industrial relations have been increasingly drawing keen interest of people in many countries. Why? we can think of a number of different reasons why this is so. However, we can point out several among them as being some of the most important factors. They are, among other things, the Japanese workers' strong will to work, their trust in their employers and cooperative industrial relations. It is because of these special features that Japanese enterprises in general have been able to enjoy high productivity, high product-quality and high innovativeness and hence their having been able to maintain high international competitiveness.

Why, then, is it that all such characteristics as mentioned above are able to be found in the Industrial Relations System of Japan? Have all these characteristics been brought about by the nature of Japanese workers? Or are they a product of the Management System of Japanese companies? How does the economic environment influence companies in carrying on their activities? It is to clarify these points that this paper has been written. I, therefore, wish to first give a description of Performance of the Industrial Relations System in this country and then to consider why it has been so successful.

II High Level of Will to Work and Dissatisfaction in the Workplace

It is difficult to make a direct estimation of the level of workers' will to work on a nationwide scale. So, let us take up the rate of absence as indirect index. According to the survey by the Ministry of Labour in 1981 (conducted on 6,000 of private companies employing 30 or more full-time workers), the absence rate is estimated at an average of 1.6 percent. This rate is 0.8 percent in larger companies employing 1,000 workers or more (See table 1). Since the absence rates in European countries are said to be somewhere between 5 percent and 15 percent, we may say that the absence rate of Japanese workers is quite low in comparison.

When we look at paid-holidays, we note that their average 'usage rate' is 55 percent. This means that, even though workers are paid for a certain number of their off-days, they are actually taking an average of only 8.3 days off out of an average of 15 paid-holidays. From this we may conclude that the Japanese workers are strongly desire to work.

Let us consider how the employees are working in their respective companies? Concerning this question, too, it is difficult to ascertain what the situation is on a nationwide

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Table 1. Annual Rates of Absence

Scale of company	Absence rate
1,000 employees or more	0.8(%)
100-999	1.8
30-99	2.5
Average in whole	1.6

Source: Ministry of Labour, *Survey on the Systems of Wage and Work Hours*, 1981.

Table 2. Annual Paid-holidays

Scale of company (No. of employees)	Average number of paid-holidays given per worker	Average number of paid-holidays used	Average usage-rate of paid-holidays
1,000 or more	17.1 (days)	9.9 (days)	58(%)
100-999	14.3	7.8	55
30-99	12.6	6.6	52
Av. in whole	15.0	8.3	55

Source: Ministry of Labour, *Survey on the Systems of Wage and Work hours*, 1981.

scale. Therefore, let us examine the results of a survey conducted with regard to the 'suggestion system' of Japan. For this purpose we can use the results of the survey made jointly by the Japan Human Relations Association and the Japan Suggestions Activities Association (conducted in 1981; effective replies were given to a questionnaire by 427 firms employing a total of about two million workers). In this survey, the ratio of participation by employees in a suggestion system is shown, with a total of 328 firms. The results of calculation show that, of about 950,000 workers who were estimated as being employed in the above-mentioned 328 firms, about 862,000 were entitled to take part in their respective firms' suggestion systems, and that, of these 862,000, 69.3 percent (598,000 workers) were actually taking part in suggestion systems. Since the total number of workers who were entitled to take part in suggestion systems in the above-mentioned 427 firms was 1,830,000, the results of this survey indicate that, at these firms alone, more than one million employees can be estimated as having been participating in a suggestion system as of the time of survey.

The survey further shows that, with regard to the 1,830,000 employees at the 427 firms, the annual number of suggestions per-employee was 12.8. This means that one employee is making one or more suggestions every month in average. Moreover, some of such suggestions have led to an economic effect amounting to a total of several tens of million yen, and, among them, there are several suggestions estimated as having led to an economic effect of several hundreds of million yen. In the survey, there were a total of 278 firms that made an estimation of the economic effects brought about by their suggestion systems. At these 278 firms, the economic effects of their employees' suggestions were estimated at a total of 225.4 billion yen a year (an average of 810 million yen per firm).

Since there are such a large number of suggestions made by employees, there naturally are those of modest scale or of little value. Yet, on the other hand, there are not a few suggestions that are considerably high in quality.

Greater portions of the suggestions made are those concerning such questions as improvement of work methods, saving of energy, resources and materials, improvement of workplace environment, improvement of equipment and machines, and improvement of implements. In addition to these, a great variety of suggestions are made on improvements in various aspects of work, such as, the improvement in products, new ideas about products or improvement in sales methods.

While the participants in a suggestion system include some engineers or technicians, the majority of the participants are blue-collar workers. And it is from such blue-collar workers that a large number of suggestions of a considerably high level in content are made with regard to such themes as mentioned above. This is partly because of the appropriate education and training given to those blue-collar workers. For example, in the case of the Fuji Electric Co., Ltd. which is ranked No. 3 in the total number of suggestions made and which receives a monthly average of 12.8 suggestions per-employee, a group of engineers of the firm have compiled a special series of easy-to-understand textbooks with contents as outlined in Table 3 below for use by blue-collar employees at education/training courses in that company. Some of the other firms also conduct education and training courses for their employees using a similar method. Many companies try to enhance the level of their employees' abilities in various ways, such as, having managerial

Table 3. A List of IE Textbooks

Title	Contents	No. of pages
1. Introduction to IE	An outline of basic IE methods	111
2. Standard hour of work	Methods of composition, establishment, maintenance, etc., of standard hour of work	80
3. Time control	Efficiency control, indirect time control, etc.	23
4. Operation analysis	Mainly an explanation about the work-sampling method	35
5. Fixed-time method	Explanation on the work-factor method	93
6. Work-programming	Conveyor-programming, group-technology method, etc.	59
7. Conveyance control	Conveyance analysis, conveyance improvement, conveyance equipment, etc.	42
8. Layout	Principles analysis methods, evaluation methods for draft plans, etc.	48
9. Outline of production control	Outline of production planning, arrangement systems, progress control, etc.	55
10. Structure of costs and cost control	Composition of costs, types of cost calculation, profit-loss analysis, etc.	51
11. Equipment control	Cost accounting on equipment investment, property management, equipment maintenance, etc.	46
12. Elimination of waste	Checking list for waste, how to grasp wasteful examples, how to draw up an improvement plan	35

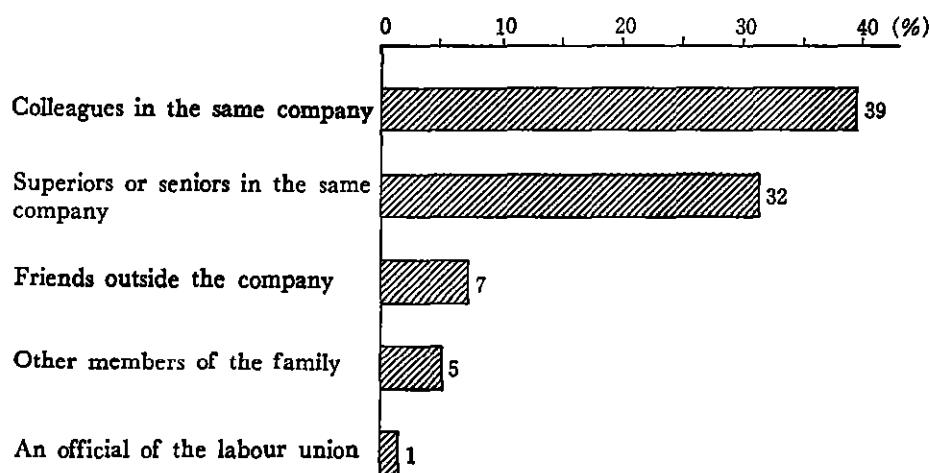
staff give hints to their subordinates on improvements in work method, etc., or encouraging the managerial staff to positively engage themselves in discussions with each employee on various questions.

As mentioned above, at these companies approximately 70% of employees participate in a suggestion system. While almost never being absent from work these employees, on top of carrying out their daily assignments, manage to devise methods of improvement, regarding themes that should essentially be considered by management, at an average of one suggestion per month. One must admit that the will to work of workers in Japan is very high indeed. However, it is not just that workers have a strong will to work. Moreover, they have trust in their employer or superiors and are co-operative toward the introduction of new technology. Labour unions also take a co-operative stance toward management.

As can be seen from Fig. 1 below, many of the company employees, whenever they have any worries about, usually turn for advice to their colleagues in the office or to their superiors or seniors in the same company. But, as the same Fig. shows, only 1 percent of them take their problems to an official of the labour union to which they belong. However, in this particular survey which produced Fig. 1, it is not quite clear as to what the "Worries at the workplace" are. And the fact that the 'superiors and seniors' are treated as a single group adds to the ambiguity of the data given. Therefore, in addition to the Fig. 1, two more graphs, Fig. 2 and Fig. 3, which are the results of another survey conducted by a different organization, are given below.

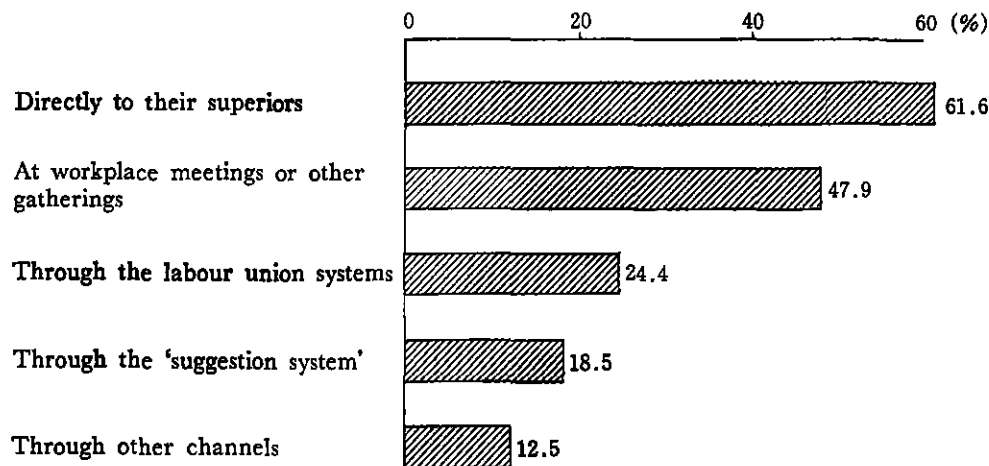
According to Fig. 2 and Fig. 3, the workers' feeling of trust in the labour unions is somewhat high when it comes to such problems as 'work' or 'personal treatment'. In this case, too, however there are many who express their opinions or complaints directly to their superiors rather than to the labour union. In fact, the company employees in Japan believe that, in solving this type of problems, the management is more reliable than the

Figure 1 Whom do you consult when you have worries at your work? (One answer given by each respondent; others did not answer)



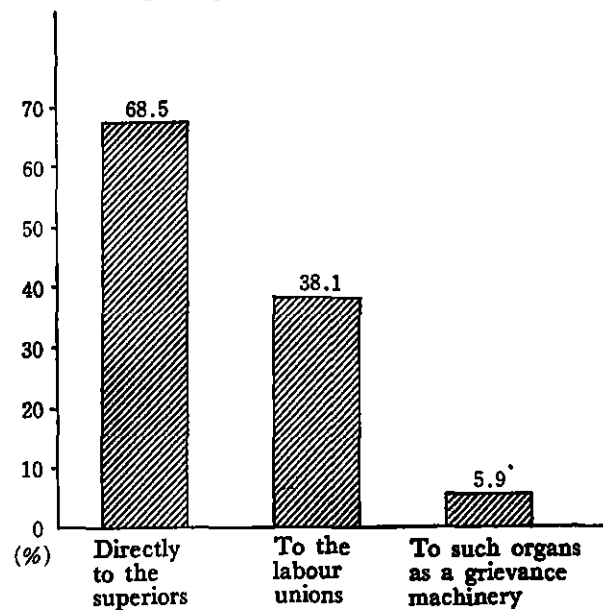
Source: Japan Productivity Center, *Survey on workers' view of "Occupation and Life"*, 1972.

Figure 2 In what way did workers express their opinions on daily work or work environment?



Source: The Statistical Information Division, the Labour Minister Secretariat, *Report on the Results of a Survey on Management-Labour Communications*, 1973.

Figure 3 In what way did workers express their opinions or complaints concerning the personal treatments given them?

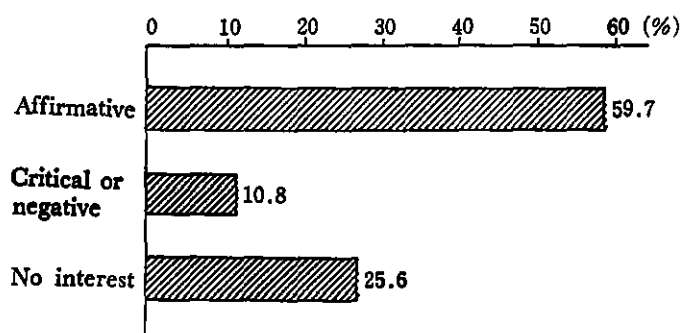


Source: See Figure 2.

labour union. Generally speaking, in Japanese companies, the relationship between superiors and their subordinates at workplaces is not confined to matters concerning work, but, is often extended beyond the workplace. It is normal for superiors to show interest and consideration toward the lives of their subordinates both within and outside the workplace. On the other hand, the relationship between the lower officials of the labour unions and individual workers is less close.

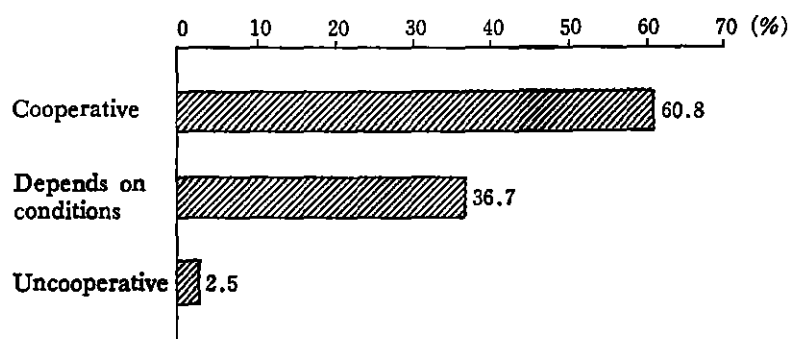
Furthermore, it often so happens that employees are quite cooperative with management

Figure 4 Reaction of employees to the company's plan of adopting industrial robots



Source : The Labour Economy Research Institute of Hyogo Prefecture, *Results of a Survey concerning Industrial Robots*, 1982.

Figure 5 Attitude of labour unions towards relocation of personnel

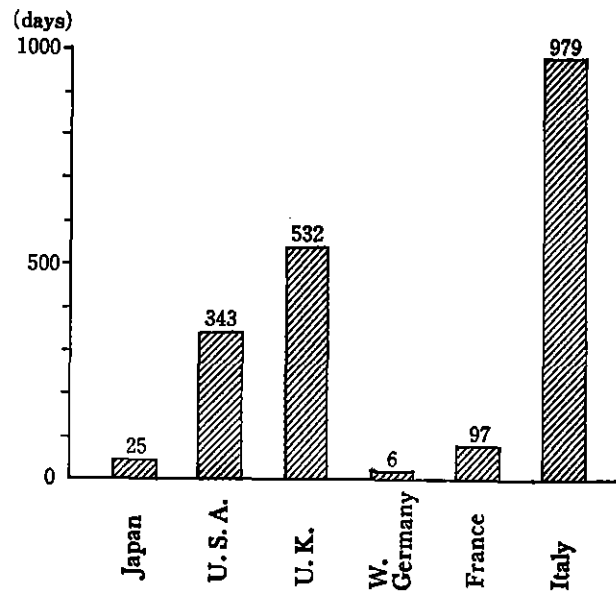


Source : Japan Labour Association, *Management-labour Relations Concerning Relocation of personnel* 1975, p. 282.

with regard to technological innovations that are being promoted by the company. And the labour unions, too, are in many cases cooperative with the management. For example, let us take a look at the results of a survey conducted on industrial robots by the Labour Economy Research Institute of Hyogo Prefecture. As shown in Fig. 4, as many as about 60 percent of the companies surveyed said that their employees took an affirmative attitude toward the company's plan of adopting industrial robots. In another survey, the results of which are shown in Fig. 5, about 60 percent of the companies surveyed said that their labour unions had been cooperative with management as regards relocation of personnel. Since relocation of personnel involves a change of job category or transfer of residence, it is something that normally gives a considerable amount of trouble and difficulty to the workers concerned. However, in most cases, the labour unions are cooperative as long as they agree with management about the necessity of the relocation.

Hence, the labour unions, even in the course of wage negotiations, try to go without strikes as much as possible. Even when the labour union decides to call a strike, it often directs its union members to go on strike for one day at an interval of several days. Also, there are often strikes that last for only a few hours or half a day. As

Figure 6 Man-days lost as a result of strikes (1980 year)
(per 1,000 employees)



Source: The Ministry of Labour, *Labour Disputes Statistics*. The data on foreign countries were derived from the ILO, *Yearbook of Labour Statistics*.

a result, even though the number of workers taking part in a strike is quite large, the number of man-days lost owing to strikes is held down to a low level. In other words, the strikes in Japan are generally organized in such a way that the potential power of labour unions is effectively demonstrated while giving as little economic blow as possible to management.

In this section, we have seen that Japanese workers have, on the whole, a high level in their will to work and that they are generally cooperative with management. We have also seen that the labour unions, too, are cooperative with the management. But what is the reason for this cooperation with the management. By focusing my attention on this strong will to work, I hope to be able to answer this question in the content of this paper.

III Strength of Identification with the Company

The motivation of people in an organization toward production not only depends on (1) The remuneration people expect, but it maybe considered that it also depends on (2) the identification that people feel toward that organization. Also, considering what motivates workers in a company in the form of remuneration, besides the various monetary allowances such as wages, there are a number of factors such as status and the interest

1) Kozo Nishida, *Studies in Work Motivation* 1976.

of the job itself. Workers no doubt work harder in order to obtain more of such remuneration. However, apart from this, an employer would be able to expect a higher level of will to work from his or her employees when they identify with the company and accept the objects of their company.

It does not, however, always happen that the members of an organization identify themselves with that organization. J. G. March and H. A. Simon say that, there are four principal available targets for identification: (1) organizations external to the focal organization (2) the focal organization itself, (3) the work activities involved in the job, and (4) Subgroups within the focal organization. As a result, in the case where the members of an organization identify themselves with an external organization, the work activities, or a subgroup, it sometimes so happens that the attainment of the objectives of the focal organization is sometimes obstructed.²⁾ Now, if we look at the question of motivation in a Japanese company, we would notice that, while efforts are made to work on employees' expectations for remuneration, very careful devices are used to encourage employees to identify with their company.

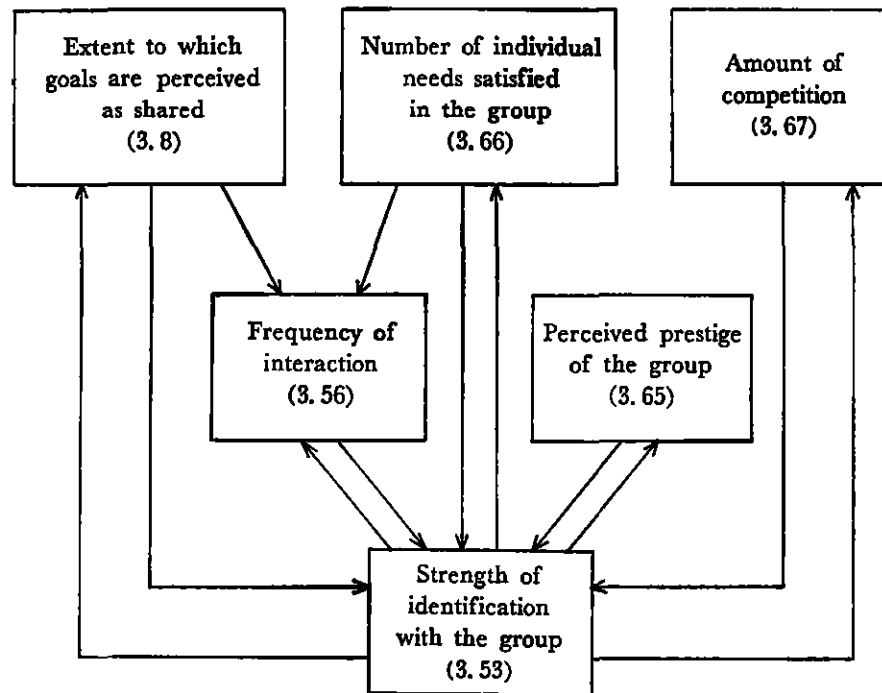
In explaining the characteristics of the Japanese style of business management, the following features are often pointed out: (1) Lifetime employment, (2) seniority system, (3) collectivism, and (4) enterprise union. Sometimes, (5) "well-established welfare systems at companies" is also raised as one of the important features of Japanese business management. Of these five, (1) lifetime employment, (2) seniority system and (5) the well-established welfare system in each company, as well as (3) collectivism, are the factors that strengthen the employees' identification with the company, and the enterprise unions under item (4) is the result of identification and is something that strengthens such identification.

As is shown in Fig. 7, March & Simon raise five basic factors that work on the employees' identification with a group. Using this diagram, let me explain the functions of the characteristics of Japanese style of management. The 'lifetime employment' system is a system in which a company in principle employs new school graduates and, once these new graduates are employed as regular staff members of the company, they are seldom discharged by the company until they reach a mandatory retirement age. Under this system, the workers, on their part, usually keep working for the same company until the retirement age. Under this kind of lifetime employment system, most workers do not have an experience of working for any other company or in any other industry. As a result, the homogeneity of their backgrounds is (3.8 in Fig. 7). And the perception of the sharing of goals is enhanced for this reason as well.

The seniority-order wage and promotion systems, under the lifetime employment system, to some extent weaken the competition among individuals (March and Simon 3.67), and they together bring about an extremely close relationship between the prosperity of the company, employees' interests and the increase of positions due to the growth of the company. As a result of this, the above mentioned extent to which employees perceive their goals as being shared, is increased further.

2) J. G. March and H. A. Simon, *Organizations*, 1958, pp. 70-81.

Figure 7 Basic factors affecting group identification.



Source : March & Simon, *op. cit.*, p. 66.

Referring further to Fig. 7, particularly to the number of individual needs satisfied in the group, it must be noted that, in the case of many Japanese companies, management extends assistance to the employees' lives in various aspects that are not directly related to work. For example, in the case of companies employing 5,000 workers or more, as many as 74 percent of them own, for exclusive use by their employees, the facilities for 'circle' activities of the employees to enhance the level of their cultural, such as, their participation in the classes to learn flower arrangement, cooking, painting, and TANKA or HAIKU poems. The company managements also extend financial and other assistance to their employees in the latter's leisure activities. In fact, as many as 98 percent of large companies are offering financial assistance to their employees in covering the expenses of carrying out 'circle' activities such as sports or hobbies. Assistance is also given to purchase equipment needed for such activities. Of the large companies, 93 percent have sports facilities for use by their employees, while 98 percent of the large companies are giving assistance—financial or otherwise—to the employees' sports activities. And 98 percent of the large companies own, for use by their employees, such recreational facilities as seaside or mountain villas. In the case of medium-size companies employing 100 to 299 workers, the number of companies possessing such facilities as mentioned above is somewhat less than that of the larger companies. Yet, 31 percent of them have cultural facilities, 30 percent have sports facilities and 25 percent, recreational facilities. Some 70 to 80 percent of the medium-sized companies provide their employees with funds or practical guidance to carrying out their cultural or sports activities. In addition, many companies

normally give assistance to their employees in various other ways, such as, housing, medical care and children's education.³⁾ As a result, employees, once they join a company, are able to satisfy their needs, not only with respect to their work but also in various phases of their daily, lives.

So, in this way, the employees of Japanese companies strengthen their identification with the company they work for. Under these circumstances, labour unions tend to become Company-wide organizations. Under the lifetime employment system, the movement of labour from one company to another is limited and, due to this segmentation of labour markets there is little chance for the formation of a labour union that covers more than one company. Once an enterprise union is born and begins functioning, it will eventually work as a factor that promotes the identification of employees with their company.

From the foregoing, it will become evident that one of the main characteristics of the Japanese style of management is that it promotes the identification of employees with the company to which they belong. This motivates employees to work for the growth and prosperity of their company.

However, the effectiveness of the various methods used in strengthening the identification of employees with their company as mentioned above, is importantly related with the structure of Japan's labour market. If workers in this country were able to easily move from one company to another without having to suffer economic loss, such things as lifetime employment, seniority system, collectivism or the well-established welfare arrangements in a companies would perhaps not have such strong effect on employees' identification with their company.

What, then, would happen when a worker changes his job? In Japan, companies generally try to employ new school-graduates whenever possible (such new employees are called 'standard workers'). Since Japanese companies generally adopt seniority wage system, job-seekers who have either worked for sometime or have not worked after graduation—these people are called 'midcareer entrants' when newly hired—are normally obliged to settle for a wage level that is relatively disadvantageous compared with that which is paid to the 'standard workers'.

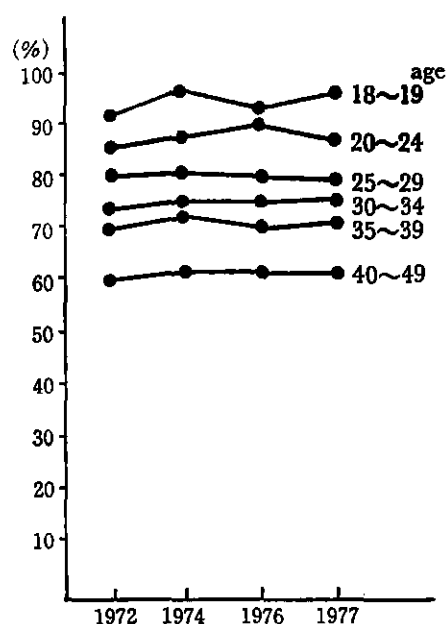
As Fig. 8 above shows, the higher the age of midcareers at the time of employment, the lower the level of wage that would be paid at that time. This graph shows that, for example, a person newly hired at the age of 35-39 would be paid a wage corresponding to only about 70 percent of what is paid to a person in the same bracket who has been employed by the same company ever since graduation from school.

Furthermore, when a person changes his job, it is normally difficult for him to move from a small or medium-sized company to a large company, or from a large company to another large company. Most job changes take place from a larger company to a smaller company (See Table 4 below).

The trend which is indicated in Table 4 is important. Because in Japan, the larger companies not only offer higher wages (for example, if the average wage paid in 1977 to a worker employed by a company employing 1,000 workers or more were to be shown

3) Ministry of Labour, *Survey on the Welfare Facilities System, Etc*, 1976.

Figure 8 Wages Paid to 'Midcareer Entrants' (in the case of production workers (male) with education up to junior or high school)
Wages of Standard workers=100



Source: Ministry of Labour, *Basic Statistical Survey on Wage Structure*.

Note: 1) As of June each year.

2) 'Standard worker' is a person who was employed by the present company immediately after his or her graduation from a school and who has been employed there ever since.

Table 4. Turnover between Companies of Different Scale

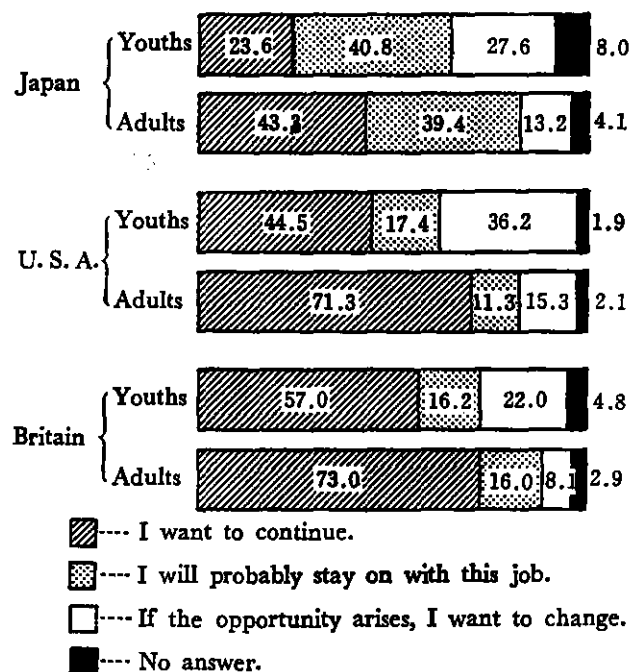
From (a company with...)	To			
	Larger companies	Companies of similar scale	Smaller companies	Total
1,000 employees or more	—	36%	64%	25.5(100%)
999-300 employees	19	21	60	24.9(100)
299-100 employees	21	26	58	43.9(100)
99-5 employees	27	73	—	193.9(100)

Source: Statistical Information Division, Labour Minister's Secretariat, *Report on the Survey Concerning Employment Trends, 1977*.

with an index of 100, that of a worker employed by a company with 100-999 employees would be 87.8% and that of a worker at a company with 10-99 employees would be 83.5%), but offer better fringe benefits such as welfare and recreational facilities, as we have seen in the foregoing pages.

For such reasons as mentioned above, a worker, even if wishing to change jobs, actually finds it difficult in most cases to move to a large company and even if succeeding

Figure 9 Do you want to continue working for the organization which employs you at present?



Source: The Headquarters for Youth Problem, the Prime Minister's Office of Japan, *Survey on the Opinions of Young People Who are Working as Members of organization*, 1979.

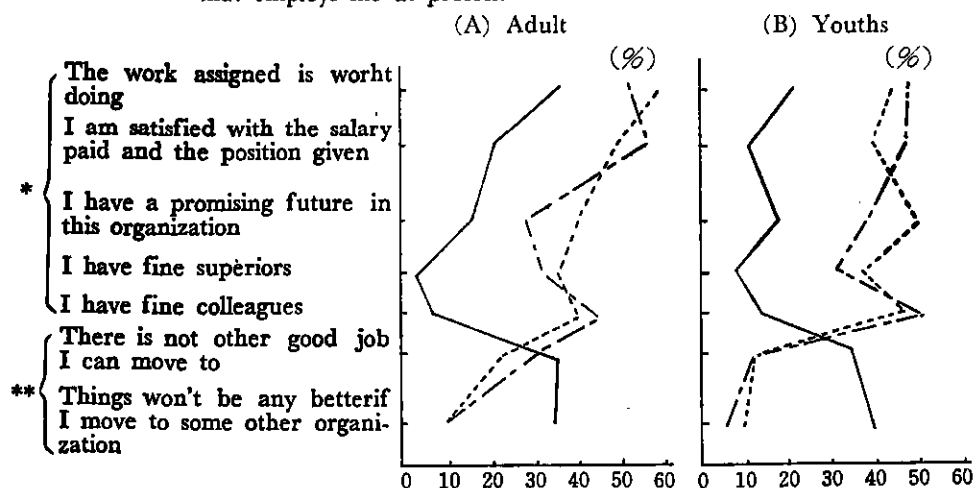
in doing so luckily, he would have to accept the disadvantage of being paid a lower wage as a 'midcareer entrant'. Thus, in most cases, the inevitable conclusion is that it would be most advisable to give up any plans of changing one's job.

Fig. 9 shows the result of a survey conducted on how the workers of Japan, the U.S. and Britain think about the question mentioned above. The main difference in thinking between Japanese workers and their American and British counterparts may be seen in the answers given to the question, "Do you want to continue working for the organization that currently employs you?" ; the number of Japanese workers who expressed a positive desire of continuing to work for the same organization was considerably small, while many of the Japanese workers answered less positively, "I would like to change, but I will probably stay on with this job."

Moreover, as can be seen from Fig. 10, the reason for more Japanese workers, compared to their American or British counterparts, answering either that they would like to continue working for the same company or that they would stay on with same job, is dependent on their thoughts that there is no other good job to move or that even upon moving they could expect no change in conditions.

Fig. 11 below shows that there are as many Japanese workers as, or possibly even more of them than American or British workers, who think that they would like to start business on their own. However, when it comes to their outlook concerning the possibility of really being able to become independent, Fig. 12 tells us that the Japanese workers

Figure 10 Reason why I want to continue working for the organization that employs me at present

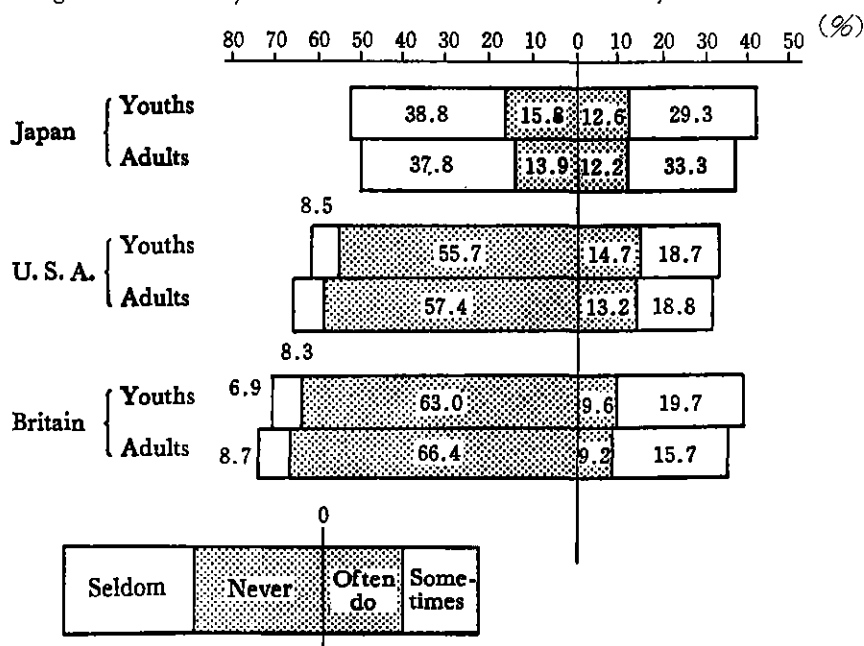


Source: The Headquarters for Youth Problems, the Prime Minister's Office of Japan, *Survey on the Opinions of Young People Who are Working as Members of Organization*, 1979.

Note: * = Reasons which a higher percentage of American or British respondents gave than their Japanese counterparts.

** = Reasons which a higher percentage of Japanese respondents gave than American or British counterparts.

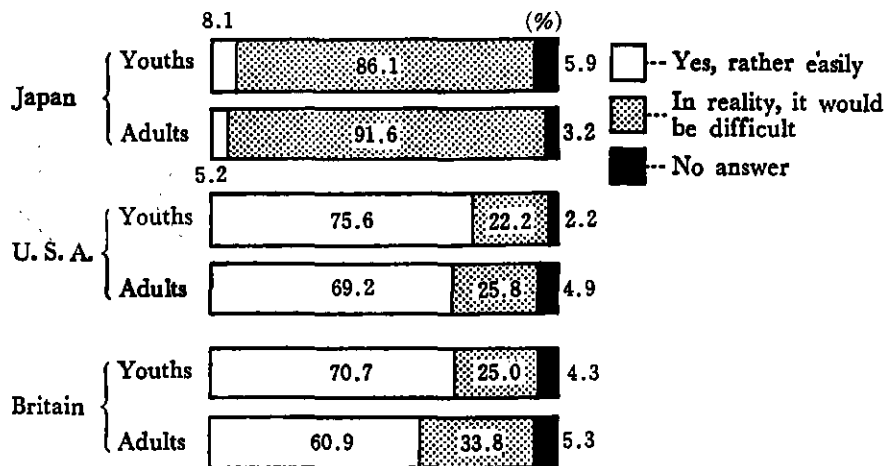
Figure 11 Have you ever wished to start business on your own?



Source: See Figure 10.

have by far the more stern view than their American or British counterparts do. The economic system under which the Japanese workers live makes it disadvantageous or difficult for them to select any other course than to keep on working for the company

Figure 12 Do you think you could really start a business on your own?



Source: The Headquarters for Youth Problems, the Prime Minister's Office of Japan, *Survey on the Opinions of Young Who are Working as Members of Organization*, 1979.

that is currently employing them.

Once could say that workers are not very positive, however, the situation being that they are unable to avoid remaining at one company means that they can do no more than remain at their present organization and achieve wage increases and promotion there. Thus, workers come to expect the development of the company that employs them while also having a strong sense of identification with that same company.

IV Good Communication Between Management and Workers

When, in this way, the economic system and the personnel management policies of a company are mutually lending impetus to the strengthening of workers' identification with their company, the good communication between management and workers, via the theory of human relations approach, will be reinforced. For instance, management sufficiently evaluates the ability of each individual worker, listens to their opinions regarding the improvement of management techniques by such means as a suggestion system, strives for the participation of workers in management at the workplace, and takes the further step of listening to workers discontents. Then, these will lead to a greatly enhanced will to work. So, let us take a more detailed look at this point.

By looking at the Table 5 below, one can realize how well the system of communication is established between management and workers in Japan, especially in large companies.

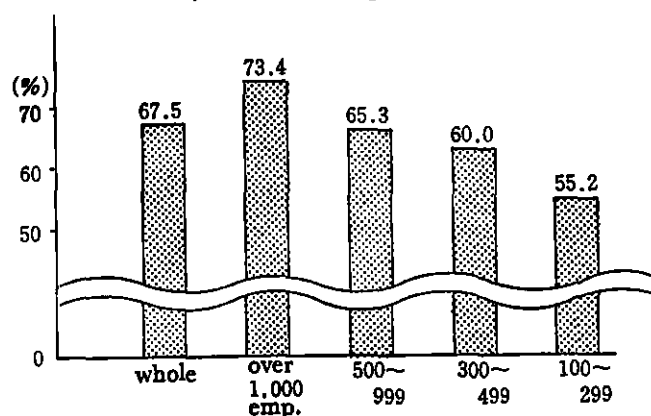
Then, to what extent do workers actually express opinions or make complaints? Fig. 13 below shows that, in the case of large companies employing 1,000 or more workers, 73.4 percent of employees have the experience of either expressing opinions or making complaints about their daily work or workplace environments during the past year. We may regard this as a fairly high percentage. In contrast to this, however the percentage

Table 5. Percentages of Companies Which Possess Various Means of Communication

Scale (persons)	1,000 or more	500-999	300-499	100-299	whole
Management-labour consultation system	90.0(%)	80.6(%)	78.9(%)	56.4(%)	62.8(%)
Workplace meetings of employees	76.2	76.8	77.3	76.0	76.3
Grievance machinery	68.7	60.8	53.9	41.4	45.7
Company journals	97.3	89.7	71.7	49.8	57.8
Suggestion systems	92.6	86.0	79.8	63.7	68.8
Self-appraisal system	73.0	52.5	41.2	28.3	33.8
Surveys on employees' views	87.9	79.7	76.4	66.7	70.6

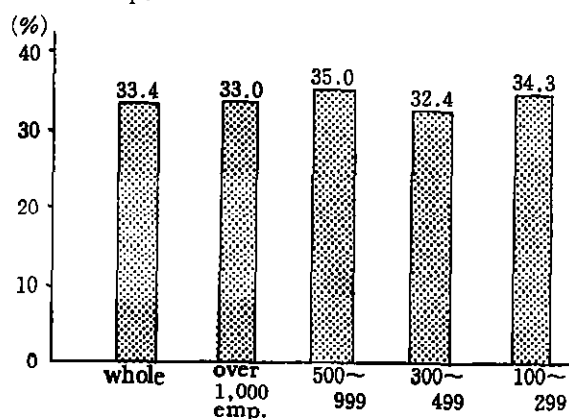
Source: Statistical Information Division, Labour Minister's Secretariat, *Report on the Results of a Survey on Management-labour Communications, 1972.*

Figure 13 Percentages of employees who, in the past year, have at least once expressed an opinion or made a complaint to their company about daily work or workplace environment.



Source: See Table 5.

Figure 14 Percentage of employees who, in the past year, have expressed an opinion or made a complaint to the company about their personal treatment.



Source: See Table 5.

Table 6. Types of Communication that Employees would like to be Improved

Companies employing	Over 1,000	500-900	300-499	100-299	Whole
	(%)	(%)	(%)	(%)	(%)
Publicity of management policies and operational condition of the company	42.6	39.7	35.7	30.0	39.1
To ensure that employees' intentions are reflected on management policy decisions	28.1	28.5	26.6	30.3	28.3
Ensure that employees' opinions and suggestions are reflected on the operation of daily work	48.7	46.7	45.6	46.2	47.7
To eliminate employees' dissatisfaction over workplace environment	54.6	55.9	49.5	50.5	53.3
Ensure that management firmly grasp employees' wishes about individual treatment	32.8	27.4	27.7	28.3	30.8
To eliminate employees' dissatisfaction over individual treatment	25.4	23.7	24.8	25.9	25.3

Source : Statistical Information Division, Labour Minister's Secretariat, *Report on the Results of a Survey on Management-labour Communications*, 1972.

of employees who have had the experience of expressing opinions or making complaints to management about personal treatment is quite low ; only 35 percent or so with respect to employees working for companies of various scales.

However, in answer to the question referring to which aspect of communication do employees wish an improvement made, about 30 percent of the respondents have expressed the wish that 'management understand the employees' desires regarding individual treatment'. In comparison with this, a fairly high 47.7 percent of the employees surveyed expressed the wish that management 'ensure that employees' opinions are reflected in the operation of daily work'. Also, as show in Table 6 above, the percentages of employees desiring in the form of 'publicity of management policies and operational condition of the company' were high ; 39.1 percent of the entire companies surveyed and 42.6 percent of companies employing more than 1,000 workers. What the majority of the workers desire is, as Table 6 shows, the 'elimination of dissatisfaction over the workplace environments'. This seems to indicate that the desires of employees concerning the management's 'understanding of employees' wishes regarding individual treatments' and 'effort to eliminate the employees' dissatisfaction over individual treatments' are being met relatively well. It is also apparent that an increasing number of workers are seeking ways to participate further in management on workplace-levels. In fact, in the Japanese companies, employees' participation in management is practiced fairly extensively. At a good many companies, the suggestion system (See Table 5), the management by objective (MBO) and small group activities are carried out vigorously. Such systems and activities are actually functioning well in motivating workers. Particularly important is the small group activity. So, in the next section, I would like to examine these activities being the third factor that motivates the Japanese workers.

V Voluntary Small Group Activities

In the preceding Chapter, we have made a review of employees' participation in management at the workplaces-level and have noted that many of the companies—almost all, in the case of large companies employing 1,000 workers or more—were adopting the 'suggestion system'. In section II, we have seen how active such participations are at many of the companies. In the case of companies with employees totalling 1,000 or more, it has been noted that management by objective (MBO) was adopted by nearly 60 percent of them and 'small group activities' by nearly 70 percent (See Table 7 below). This type of participation at workplaces has been functioning as motivational factor of workers and, in the case of Japanese companies, the participation through small group activities is particularly important.

'Management by objective' shown in Table 7 below is a system in which each employee is required to set up their own objectives and, in order to attain such objectives, is called upon to plan, manage and control his work by himself. And the 'Small Group activities' is, so to speak, a series of voluntary activities to carry out Management by Objective in small groups. In many cases, small group activities are actually conducted under such names as 'QC circles', 'JK movements' or 'ZD groups'. While there are slight differences among these small group activities, they are all basically the same in that they are voluntary activities carried out with the aim of improving the management of the company concerned.

Since such small group activities are voluntary activities, the meetings of groups to discuss the activities are in principle held outside of the employees' working hour. Hence, in principle, wages are not paid for the time spent on such meetings. Still, Japanese workers do take part in such small group activities. But even if the workers do possessed the will to participate in the small group activities, would it be possible for the workers—the blue-collar employees—to make any meaningful suggestion on such themes as how to improve the quality of products, to improve work methods, or to enhance efficiency? To these queries, some observers may offer the explanation that it is because Japanese workers generally identify themselves with the companies they work for, while others may give the 'high abilities of Japanese workers' as the reason. Indeed, the workers' strong identification with their companies and their high abilities are obviously two of the important factors. However, the writer, being aware of the amazing vitality of the workers in their

Table 7. Companies in Which Management-by-Objective or Small-group Activities are Conducted

Companies employing	Over 1,000	500-999	300-499	100-299	Whole
Management by Objective	58.8(%)	51.5(%)	46.2(%)	46.0(%)	47.0(%)
Small Group Activities	69.4	55.4	43.5	35.8	39.7

Source : Statistical Information Division, Labour Minister's Secretariat, *Report on the Results of a Survey on Management-labour Communications*, 1972.

small group activities as will be described below, think that such factors as mentioned above will not be enough in explaining the enthusiasm of workers taking part in small group activities.

In order to give an example of how diligent the Japanese workers can be in their small group activities, let us turn toward examine the plant of one of Japan's major automakers. At this plant, as of 1980, the participants in QC circles were 4,226 in total number, or a 99 percent participation ratio. Each of these circles carried out an average of 86.2 projects a year and, as a result, achieved an economic effect in total of 970 million yen. Even though one could not mean to say that the majority of small group activities have made such remarkable achievements as mentioned above, a survey conducted by the Labour-Management Productivity Council (a questionnaire survey conducted in 1981 on 670 major firms in manufacturing and construction industries; replies received from 135 of the firms surveyed) has shown that, of the 135 companies, 91 said that their employees conducted small group activities and, of these 91 companies, 22 percent said that their small group activities were producing adequate results and 70 percent said that the results of their small group activities were fairly good. Small group activities are not part of the formal work to be engaged in by employees; they are the activities through which employees voluntarily make a study of how the company's management be improved. Still, it is not just those exceptional companies blessed with special conditions that are achieving sufficient results. This, I believe, deserves much attention. Although the introduction of small group activities in most cases brings about some good results, this does not mean that the mere introduction of such group always promises adequate results.

Then, why is it that the workers at a considerable number of companies are showing high morale toward carrying out these? Isn't the economic stimulus necessary? It has already been noted that at a considerably high percentage of companies workers are engaged in voluntary small-group activities, which are in principle conducted outside employees' regular working hours without payment of wages. As shown in Table 9 below, including those marked with 'a' in the extreme-right hand column, the small group activities are conducted within the regular working hours at 70 percent of the companies surveyed

Table 8. Whether or Not the Small-group Activities are Achieving Good Results

Replies to the questionnaire	Percentage
Adequate results are achieved	22.0
Fairly good results are achieved	70.4
Not many results are obtained	4.4
Almost no result is obtained	1.1
Don't know	1.1
Other replies	1.1
Total	100.0 (91)

Source: The Labour-Management Productivity Council, "Present condition and problems of small-group activities" *Rosei Jiho* (labour administration journal), No. 2581, 1982.

Table 9. Times When Workers Conduct their Small-group activities meetings

Times when they hold such meeting	Percentage	
Mainly within regular working hours	34.1	a
Mainly during recesses	13.2	b
Mainly outside regular working hours	9.9	b
Both during regular working hours and recesses	2.2	a b
Both within and outside of regular working hours	30.8	a b
At any time ; within and outside regular working hours as well as during recesses	9.9	a b
Total	100.0 (91)	

Note : The data given above are based on an average of ordinary small-groups.

Table 10. Payment of Allowances towards Small-group activities Conducted Outside Employees' Regular Working hours

Overtime allowance is paid	34.1 (%)
Payments are made under such names as 'educational expense's	13.2
Payments are made under such names as 'refreshment expense's	9.9
Teaching materials and books are supplied to employees	2.2
Nothing is provided	30.8
Others	9.9
Total	100.0 (91)

Source : See table 8.

(the companies at which the small group activities are also conducted outside the employees' working hours including those marked with 'b', reach total 65.9 percent).

From Table 10 above, it may be noted that 30.8 percent of the companies surveyed were not paying any allowance towards small group activities outside regular working hours. This means that over a half of the companies surveyed were providing the employees with an allowance in some form or another though it is said that small group activities are unpaid voluntary activities in principle. Moreover, as shown in Table 11 below, there are many cases where official commendations are made to employees after achieving an outstanding result in their small group activities.

When commendations are made, a considerable number of companies offer prize money, while others give the persons concerned a chance to go on a domestic or overseas trip. Such rewards, to some extent, would serve as an economic stimulus or incentives. However, such economic remuneration is in general by no means large in monetary value. On the contrary the rates at which the allowances are paid for the employees' outside-working-hour activities are usually lower than the rate at which the regular wages are paid. Therefore, even though the economic incentives are necessary in boosting the small group activities, such incentives cannot be regarded as the main factor that

Table 11. Official Commendations Made towards Outstanding Results
Achieved by Employees in Small group Activities

Presentation of a testimonial	75.9(%)
Presentation of prize money	66.8
Presentation of a prize	40.7
A chance to be given training outside the company	19.8
Study tour of plants or a trip within the country	9.9
A trip overseas	9.9
Others	12.1
Total	(91)

Source: See table 8.

Note: The total will not be 100 percent because, in this survey, the respondents were allowed to give more than one answer to each question.

invigorates the group.

I think that the vitality of small group activities is closely related with the way such activities are patronized by management. In order to clarify this point, it would be appropriate to examine an example of how such small group activities are actually conducted. So, I would like to take the case of a company in which the activities of QC circles—a typical small-group activity—are carried out.

The QC Circle Activities

First, the readers of this paper are invited to go over Table 12 which outlines the basic idea of QC circle.

What should be noted here is that QC activities are, first of all, activities which are conducted voluntarily and are intended to promote self-development. They are also based on the spirit of respect for humanity. This means that the QC circle activities presuppose that workers possess what A.H. Maslow calls the 'desire for self-realization'. The second point to be noted in Table 12 is its reference to the use of 'quality control techniques'. This means that, through their participation in QC circle activities, workers are trained so as to become capable of analyzing problem by using various statistical methods including characteristic factor chart, Pareto's chart and a scatter diagram. In other words, the QC circle activities are conducted on the premise that the workers, through their participation in such activities, will acquire the ability to solve problems on their own. The third point to be noted is that QC activities are in principle for the participation of everyone, this fact shows that importance is attached to the idea of spreading, throughout the company concerned, an atmosphere which makes every member of the company believe that it is natural for all employees to participate such activities.

QC circle activities at Company A

As a case study, let us take a look at how the QC circle activities are actually conducted at a certain major oilhydraulic machine manufacturing company (capitalized at 5.8 billion yen and employing 4,300 workers).

Table 12. FUNDAMENTALS OF QC CIRCLE

1. What is the QC Circle?
The QC Circle is
a small group
to voluntarily perform quality control activities
within the workshop to which they belong.
This small group with every member participating to the full carries on
continuously,
as a part of company-wide quality control activities,
self-development and mutual-development,
control and improvement
within the workshop
utilizing quality control techniques.
2. Basic Idea behind QC Circle Activities
The basic idea behind QC Circle activities carried out as a part of company-wide
quality control activities is as follows;
I. Contribute to the improvement and development of the enterprise.
II. Respect humanity and build a happy bright workshop which is meaningful to
work in.
III. Display human capabilities fully and eventually draw out our infinite possibilities.

Source: Association of QC Circle (ed.), *Essentials of QC Circles*.

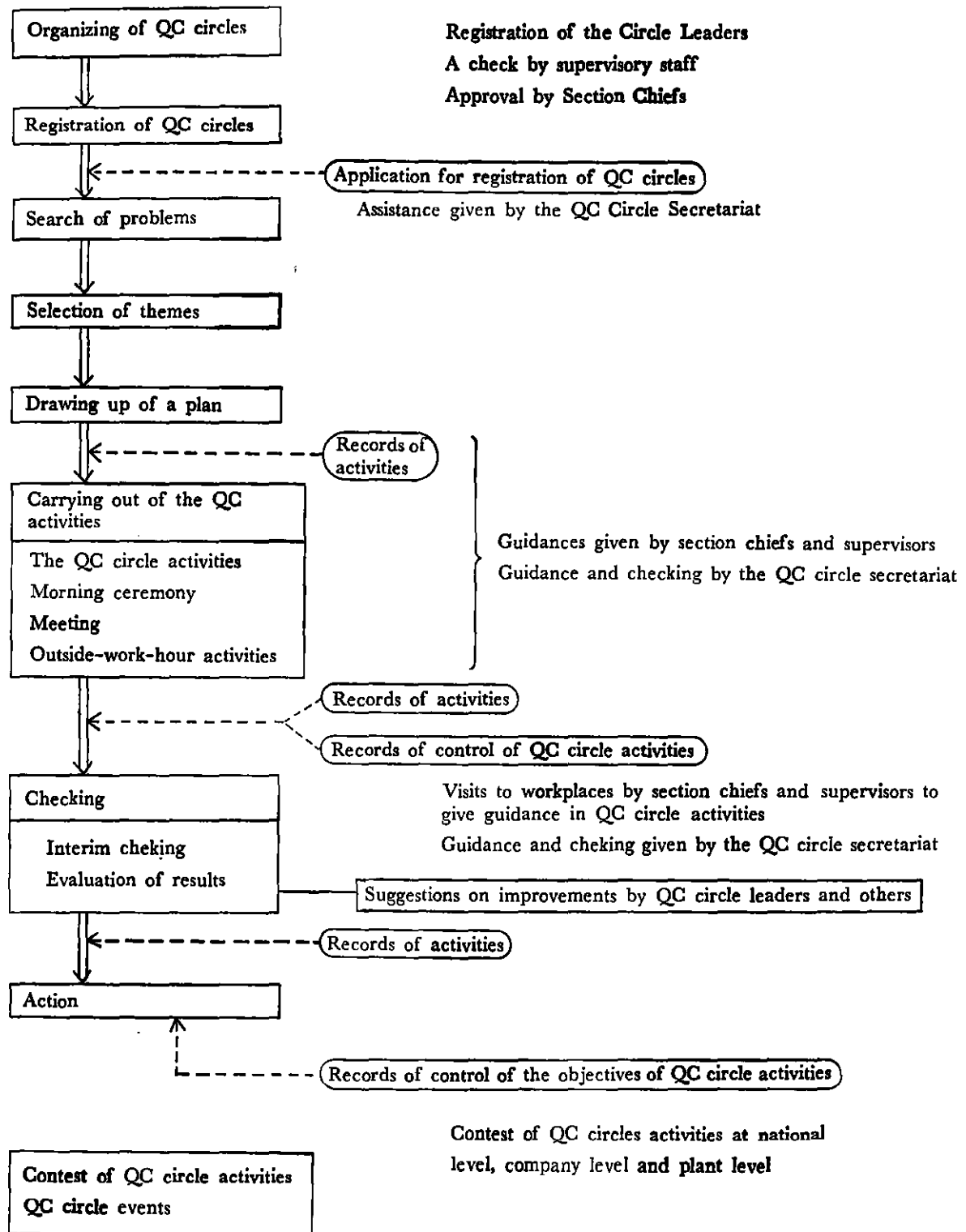
In this company which introduced QC circle activities in 1976, a QC Circle Promotion Committee was organized in each section of the plant. This was followed by the establishment of Promotion Committees at both 'plant level' and company level'. A secretariat was set up for each level.

Then, a QC Circle Manual was compiled and using this Manual the education and training of QC Circle Promoters was begun. The members of the QC Circle Secretariats' staff energetically went around each workplace in the plant and worked hard to create an atmosphere that would encourage all employees to take part in the QC circle activities. Once a QC circle was organized, the secretariat staff members cooperated in providing the QC circle leaders with systematic education and training. The process of activities and the system of operation of the QC circles thus organized are shown in Fig. 15.

Examining some of the points which, may be regarded as important factors in the QC circle activities of this company which was taken up in this flow chart as an example. Firstly, at each stage of the QC circle activities, the QC circle secretariat, and the section chiefs and supervisors of line jobs are seen giving guidances and support to the QC circles on a number of occasions.

Secondly, while the content of the guidance given is not shown in Fig. 15, it is actually very thoroughly considered to the minutest detail. Accordingly, concerning the composition of QC circles, too, guidance is given in such a way as to recommend that the appropriate number of members of a group would be 5 or 6 for each workplace and that a maximum of 10 members would ensure the smooth running of activities.

Figure 15 QC circle activities in Kayaba Industrial Co.



Source: "The small-group activities at workplaces now given a fresh look: Case studies of four companies" *Rosei Jiho* (Labour administration journal), No. 2551.

As for the themes to be taken up, too, guidance is given in such a way as to facilitate achievement of the objective of each project by recommending that (1) there should be a clearcut reason why a particular theme is taken up, (2) each theme should be a concrete one, and (3) one theme should be taken up for each period of activities. Also, regarding the objectives of activities, guidance is given so that each circle may set up a target that is fit for its own level of ability. Activities are designed so that the members of the circle may enhance their ability in the course of their activities and, so enable them to progress to a higher target and theme of higher level.

Thirdly, with regard to the method of guidance, importance is attached to 'the attitude of studying together. Also those giving guidance are always available for consultation whenever any question or anxiety arises.

Fourthly, the activities of QC circles are documented at each stage and the QC circle secretariat, on the basis of such documents showing the progress of the circles' activities, gives appropriate guidance wherever necessary.

Fifthly, regarding the allowances, payments are made at the rate of 750 yen per person for QC circle activities conducted for 30 minutes to 2 hours outside employees' normal working hours; and 750 yen is paid for each additional hour beyond the two hours. According to the QC circle secretariat, the meetings of the circles actually take place, in many cases, twice a month and each meeting lasts an average of two hours. So, in view of the fact that there would be practically no worker whose hourly wage for regular work hours was less than 375 yen, allowances for QC circle activities outside normal working hours are actually paid at a considerably low rate. Regarding the amount of allowance paid, the labour union takes a cooperative attitude toward management, on the basis of union's understanding that such activities are basically the voluntary activities of the workers.

Sixthly, meetings to make public the results of QC circle activities are not only held on a plant and companywide level but on a nationwide level as well. Representatives of the company's QC circles are sometimes sent, to such nationwide contests held outside the company. In fact, at JUSE's 1980 all-Japan meeting of QC circles, two groups of this company were awarded the "FQC Prize" as two of the year's best examples. In the case of such contests held within the company, testimonials, plaques or prizes are usually presented to the outstanding QC circles. In addition, prize money, ranging in amount from 500 yen to 30,000 yen, is usually awarded.

At present under system described above, a total of 590 circles are engaged in QC activities. In 1980, a total of 32,000 suggestions were reportedly made on the improvement of the company's operations (54.2 suggestions per group or 7.4 suggestions per person).

The foregoing is only an example of one company, but, as far as the writer is aware, it is by no means an exceptional case. The JK movement which is carried out in the iron and steel industry (at all of the five integrated steel producers of Japan) is also basically similar in nature. Furthermore, if we were to draw a concrete picture of what a standard the recent QC (as mentioned at the outset of this Chapter) would be, it would generally be very much like the above-cited case. Therefore, by studying this particular case, it is possible for us to gain an idea of Japanese employees are in general so very

strongly motivated. In short, the employees are regarded as human being who want to achieve a level of self-realization and it is expected of them to positively participate in activity toward in the improvement of the corporate management. However, even it still is considerably difficult for the workers to arrive at new ideas to improve the management and it is for this reason that education and training is carried out. Moreover since the entire company is prepared to assist QC circle activities as far as possible, the employees may approach anyone within the company whenever they come across a problem and need help or advice in solving it. And, however enthusiastically workers may engage themselves in QC circle activities, none of their colleagues would criticize them because of that fact that most workers participate in this activity.

Nothing pleases employees more than being able to actually solve any one of the problems they have tackled. At the outset, these problems they would be able to solve are quite simple but gradually more complex problem are able to be solved. The more they succeed in solving difficult problems, the happier they become. Moreover, employees are given the opportunity to announce their achievements in front of firstly a small audience comprising of their fellow workers. Reading an article in one of the companies' in-house newspapers about a round-table discussion for example, there is a remark made by an employee talking about his first experience of speaking before an audience of fellow-workers to report on the outcome of the QC circle activities in which he had taken part, "I found myself trembling all over" was his exclamation. However, in most cases, after a number of experiences in making such verbal reports, workers rapidly improve in their skill and technique gradually becoming able to give clearer explanations and draw graphs and diagrams more skillfully than before. Eventually they progress to the point of being able to speak confidently before a company audience of hundreds or even thousands including their president and managing directors. Also, among many of the QC groups, keen competition develops ; each group aiming at either giving an outstanding report at the next year's company wide QC meeting or at winning a testimonial.

However, one must remember that QC activities are, after all, activities conducted outside of employees' regular working hours. Furthermore, the detecting and solving of problems is not as simple as it may seem. Consequently, considering these facts, it would be disadvantageous for an employer to dampen enthusiasm by expecting too much and abusing the good will of his or her workers.

As I have mentioned previously, it is most essential for management to offer guidance in such a way as to help employees think and act independently, to enhance their abilities and to solve the problems they tackle, in all phases of their activities. Hence, it is also necessary to ensure that management, while paying constant attention to the minutest details of QC circle activities, never infringes upon their independence. In other words, the main factor that contributes to the success of QC circle activities is the way of management how administers the QC circle activities with utmost care while doing its best to ensure the independence of the employees.

Finally, there is one more point that must be added. That is, that, in Japan, the company employees can become very enthusiastic about tackling the question of improving the corporate management, because—as we have already seen in this paper—the employees

have the strong sense of identification with the company they work for. Therefore, it is most essential for us to note that this identification of the employees with their company is always to be found as the basis on which the QC circle activities are carried on so very effectively.

VI Conclusion

In this paper, we first paid our attention to the Japanese workers' strong will to work and then we went on to consider the main reasons for it. They were : (1) personnel management that attaches importance to employees' identification with the company, (2) the well-established communication between the management and the employees, and (3) the QC circle and other types of small group activities of employees, the activities which the company encourages while paying due respect to the employees' independence, helping the sound growth of such activities and keeping careful and minute administrative watch over them.

The above-mentioned three reasons are all related to the concept of 'management' and the way the 'management' should be conducted. In other words, the strong will of the Japanese workers to work can be explained from the viewpoint of the 'management system' rather than that of the quality of the workers themselves.

However, it must be noted that such a 'management system' of Japan is closely related to the structure of the labour market in this country. The employment practices and the wage systems adopted by a large number of Japanese companies have led to the development of a labour market which is divided into as many sections as there are companies. That, in fact, is exactly why the employees' identification with the respective companies has been relatively facilitated. In an environment that lacks the above-mentioned type of fractionalized labour market, it would not only be very difficult to bring about the employees' identification with the company but would also accrue extra costs.

Furthermore, when we consider the reasons for the many achievements made by employees through their voluntary or semivoluntary small-group activities, we cannot overlook the existence of the strong sense of the employees' identification with the company, even though, the way of management is one of the important factors that contribute to the success of the small-group activities. Otherwise, however carefully or minutely the management may be conducted, it would next to impossible to draw out the employees' enthusiasm toward improvement of the corporate management.

In the case of the Company A, the case of an oil-hydraulic manufacturer that we studied in the preceding section, they too had their problems regarding the small group activities ; there were the circles whose activities were at a standstill and those that had been dormant for sometime. From some of the other published materials concerning the QC circle activities,⁴⁾ one is able to detect that there, in fact, are workers who either do not attend the meetings or who remain silent upon attendance. Even when the small group activities are conducted with considerable success, the existence of such inactive workers as mentioned above cannot be neglected. Nevertheless, such negative attitude of 'inactive'

workers fortunately has not spread over the entire company. This, possibly, is because the majority of the employees have a sense of identification with the company. Also, even the inactive workers, who themselves are placed in a position where it is extremely difficult to find a job in another company, occasionally participate, though in a passive manner, whenever they expect to receive a certain amount of allowance as remuneration. In short, the sense of employees' identification with the company has been the main supporting factor of small group activities.

Consequently, it may be considered that, amongst the interaction of Japan's labour market and management system the most important factors contributing to the high willingness to work of Japanese workers are, in conclusion :

1. The identification workers feel for their company.
2. The high level of communication between management and employees.
3. Small group activities. Particularly QC Circles.

4) For example,
The Kansai (Western Japan) Productivity Center, Small-group activities for activation of workplaces by *ROSEI JIHO* (Labour administration journal) No. 2581, Jan. 1, 1982, and
The Human Ability Development Center, Survey on the actual condition of the small-group activities at workplaces 1979.