Manpower Management in Postwar Japan

Yoshio Kunieda

(I)

The defeat of the war left the Japanese economy in shambles and found the industrial labor force in a state of democratization. In 1945, it was estimated that 13,000,000 people were out of employment. Huge numbers sought to sustain themselves by returning to farms or by seeking self-employment. A desperate situation faced the nation to provide employment opportunities in the face of the war-time chaos and the Occupation policy to eliminate any vestiges of war-time industries. A first step came when the government established the Vocational Guidance Centers shortly after the end of the war. These centers were established under the newly-passed Job Stabilization Law (Shokugyo Antei Ho).

However, since government subsidies of industries also had come to an end, the effectiveness of these centers was relatively small.

Only after the stabilization of the Japanese economy following the Dodge Plan in 1949 and later the expansion in production in connection with the Korean War were there again opportunities for achieving employment stabilization. The population began once again to flow into the cities from the countryside.

In the meantime, relationships within enterprises had become more democratic, especially as a result of the impact of unioni-

* I have published this subject in some articles, Social Change, Industrialization and Manpower Management Relations in Japan (Sociologica, vol., 4 No. 1, 1979), Manpower Management in the Tokugawa Legacy and the Early Meiji (Sociologica vol., 5, No. 2, 1981), and Manpower Management in the Taishō and The Prewar Shōwa (Hyōron, Bulletin of Jissen Women's College, No. 5, 1982), etc.
zation on a wide scales. The pre-war discrimination between the Shokuin and Kōin was essentially abolished. Wage differentials were narrowed between these groups, and the employment of regular workers became stable. Another result was that supervisory methods became less autocratic and military forms of organization within the factory were abandoned.

(II)

These changes in employment conditions challenged the long-established master-apprenticeship relationship in modern industry. Much consideration was given to new systems of training, especially as the government moved to implement new labor laws, such as the Labor Standards Law and the Skill Training Regulations designed to democratize the training systems along with the general trend in education. In 1947, the Labor Standards Law recognized 15 occupations for which skill training should be provided. The following year, this number was increased to 23. They covered such occupations as electric machine assemblers, locomotive engineers, mechanics, finishers, foundrymen, and the like. In 1949 the number was expanded to 31. By that time almost 60,000 workers were participating in the training programs established under this law in more than 200 industrial enterprises. The training programs called for reductions in the training period, changes in instructional methods, lowering of employer qualifications, regulation of working hours, establishment of wage scales, and the like.

These new training approaches worked effectively in the large-scale industries where there were experienced instructors and well-equipped facilities. The small and medium enterprises, however, could little afford to provide the formal training programs as called for by the law and were unable to recruit experienced workers to carry out the training. As a result, the latter tended to turn to trade associations for this training function and formed joint training programs through these associations, combining
centralized classroom instruction and on-the-job experience. Relatively few companies, however, participated in these arrangements and most training programs that could be called such actually were operated in the large-scale enterprises alone. In 1953, 600 such training programs were in existence.

Especially after the Korean War when the Japanese economy began its sustained recovery and growth and introduced the most modern technological developments from abroad, the need for a systematic training program became especially pressing. The technological changes occurring required shifts in the content of work and reorganization of establishments. One major result was the widespread growth of a job-ranking system in the factory and at the same time the proportion of white-collar workers sharply increased. Wages were now more heavily affected by occupational status in addition to educational level and length of service, and once again widening differentials began to appear between blue-collar and white-collar workers.

Reorganization of management also necessitated the training of managerial staff. At the supervisory level, heavy reliance was placed upon TWI methods that had been developed in the United States and standardized under the guidance of government.

In Japan, SCAP introduced TWI methods so that it was an example of widespread training standardization that began to occur in Japanese industry. At the same time, because of the earlier egalitarian development, there now was a reaction in terms of the loyalty to the enterprise. A fair amount of the training period was now devoted to emphasizing identification with the company.

Notably, TWI was first introduced in the national railways so that the government itself became the pacesetter in this development. In 1950, TWI methods were incorporated in the new Vocational Stabilization Law, which called for a widespread use of job instruction, job methods, and job relations under the TWI system. Between 1952 and 1955, almost 25,000 workers took training in the job instruction course.
The next notable development in the training field came with the establishment of a Japan Productivity Center under the U.S.-Japan Productivity Agreement. This was designed to encourage both managements and trade unions in private industries to increase their efforts at training as well as other measurements for increasing productivity. A large part of the program was the sending of teams abroad, especially to the United States, to study training methods in advanced industries. Under the auspices of the IPC beginning in 1955 numerous sessions were held with invited American experts, particularly for the purpose of developing management skills in solving practical problems. Out of these developments came the foundation of a new set of training techniques sponsored by the government and the Japan Industrial Training Association.

It became apparent that management training now had to focus upon the middle levels of management. This was related to the need for re-organizing managerial staffs in modern industry under the impact of technological change. Management training programs developed by the U.S. Air Force were introduced to various companies, particularly for middle management personnel, encouraged especially by the Ministry of Commerce and Industry. Numerous small conferences, classes of about 15 people, for short periods of two hours and sessions numbering 20 were conducted. Topics focused upon organization and function of management, especially to improve the functioning of the department manager or Buchō as well as his subordinates.

A large number of advanced techniques were utilized in these courses such as visual aids, manuals, and the like. In these programs, more than 46,000 personnel received training in private industry. The government bureaucracy also took very keen interest in the development of supervisory and middle management personnel. For example, the National Personnel Authority devised special supervisory training forces for government bureaus as did

---

the Tokyo Metropolitan Government. These programs were similar to TWA and MTP, but were improved in the sense of focusing subject matter upon the specifics of the work in the government agency. Similarly, the Public Telephone and Telegraph Corporation adopted training methods for supervisors developed by the American Telephone and Telegraph Company. The National Railway introduced courses for shop supervisors.

All of this was labeled the management boom, with courses and conferences running from the highest administrative level down through the supervisory rungs. A major development was a program sponsored by the Keio University Business School in cooperation with the Harvard Business School for holding seminars which top and middle management people attending, utilizing the case method. (2)

The influx in growth of many new complex industries, for example, electronics and nuclear power, automobile manufacturing, steel making, and shipbuilding and chemicals and petro chemicals, necessitated enormous attention to the operation of the technologies involved. Much of this was of a highly automated character, requiring a drastic change in the quality of labor required. It generated a significantly large increase for highly adaptable young labor, especially those with higher levels of education. In part this accounted for the very rapid rise in attendance at high school, reaching almost 70 per cent for the nation as a whole. Industries such as steel manufacturing and ammonia sulfate stopped hiring those who had finished only middle school and turned only to those who had graduated high school or college. Increasingly, engineers within firms had to take responsibility for training workers on the job as well as supervising workers in the work place. Workers more and more not only had to be able to operate machines but to engage in testing and measurement. In addition, repair and maintenance grew in importance. Such re-organizations meant a deterioration in the position of the old-line manager as

(2) Keio Gijuku, ed., Keio Gijuku 100 nenshi (The History of 100 years of Keio Gijuku), Keio University Press. 1962, p. 201.
As the decline in the function of the all-round key worker. No longer could a modern firm remain highly compartmentalized in function but the interrelationships especially under automation systems became of crucial importance.

In 1958, the Vocational Training Bureau of the Ministry of Labor reported that the shortage of skilled manpower had increased from 290,000 in 1958 to 1,160,000 in 1961. By 1965, this number had increased to 1,800,000 or approximately 22 per cent of the existing labor force (33 per cent of all workers in enterprises with more than 30 employees). Thus, the manpower shortage had become quite pervasive throughout the economy. The shortage was especially large in the smaller firms, although it was not absent from the large enterprises where the estimate was 10 per cent. No doubt, the training systems within the large enterprise had contributed to cutting down the lack of skilled workers plus their ability to recruit successfully in the market. Automation also made it less a problem within large-scale industry. On the other hand, the large enterprises were especially short of engineering personnel.

It remains to be seen whether the labor market shortages will produce mobility patterns in the labor markets which upset the long-established training patterns. Considerable discussion has been developing over the need to provide national and local government manpower training programs to solve the bottlenecks in the labor market.

As early as 1952, an Advisory Committee on Technical Training in the Ministry of Labor began to take up this problem which became increasingly acute as economic growth leaped ahead, especially following 1955. It was in that year that the Japan Industrial Training Association was established at the proposal of the Japan Federation of Employers' Associations. In the meantime the Ministry of Labor organized its Advisory Committee on Vocational Training which came forth with a report in 1957 that emphasized vocational skill training for production jobs as well as scientific and engineering education. The thrust of the
report was to re-appraise the existing systems of training and vocational guidance to call for a government program for manpower development, increased training programs in industry, foreman and supervisory training, the coordination of training within industry and the school system, and the enactment of a Vocational Training Act. With regard to training within industry, the committee urged subsidies for joint training programs in small and medium industries; for programs within private companies, tax exemptions on training funds, opening of government training facilities to the public, opening of private training facilities to the public, expansion of government personnel and instructional material available for private training; development of explicit instructions as to the responsibility of training personnel; certification of training programs within industry; and simplification of procedures for establishing recognized programs.

As a result of this proposal, the government passed the Vocational Training Act in 1958, with the purpose of undertaking skill training on a mass scale by integrating conventional vocational guidance and established skill training programs. The government, through this Act, also set up a system for certifying technical workers in order to stabilize their employment and to raise their social and economic status. One result is that those who do go on to jobs from middle schools and high schools tend to be among the lower quality of personnel. It was for this reason, for example, that the steel firms abandoned the long-standing policy of hiring only graduates of middle schools and required a high school diploma for employment. At the same time such industries have demanded greater vocational training within the comprehensive trade schools. Under these circumstances, it may be expected that the old training systems which tended to stress discipline and loyalty as well as technical and general education may be in the process of disappearing. While most large companies still maintain their own individual training programs at various levels, labor market shifts, flow of young people through the school systems, the drive for democratization,
the pressure upon the established age grade wage system and the impact of rapid technological change may make untenable the reliance upon the compartmentalized training system which long characterized manpower development in Japanese economic growth. In the process we would expect a new amalgamation of private and public institutions which together would cooperate towards the goal of developing the new level of skills and knowledge required of the industrial employee.