Practical Wisdoms of IR Communication Based on the Productivity Movement from 1955 to the Early 1990s in Japan

Naoki Kuriyama

Introduction

Japan has many long living and the oldest business entities in the world. For example, Kongo-gumi; a construction group of Buddhist temple including Shitenno-ji in Osaka was established in 578. Ikenobo-kado-kai was established in 587 in order to spread the art of flower arrangement. The spiritual traditions have been transferred by 39 masters for Kongo-gumi, and 45 masters for Ikenobo-kado-kai since then. The skills have been transferred by "master-disciples" relations as well.

Japanese spiritual and philosophical traditions for management are widely admitted ranging from "Shu-ha-ri" (three stages of learning mastery); the fundamentals, breaking with tradition, parting with traditional wisdom to three way satisfactory businesses to seller, buyer and society. The high economic development after the Second World War elucidated the strength of Japanese management ways in the form of life-time employment commitment and workplace productivity improvement and knowledge creation. The applied practices include joint consultation system in the constructive industrial relations and "Kaizen" activities like 5S and small group activity in quality control circle. However, a lot of implicit knowledge is not converted into explicit accountable knowledge in the high context working environment of Japanese businesses. This paper will explain the importance of Industrial Relations (IR) communication from perspective of the Japanese spiritual and philosophical traditions for management using the new technical concept and the technical terms of Organizational Behaviors to be shared in the context of international business and academic discussion.

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1 This paper was precedentely submitted as a key-note speech to Asian Employer’s Organizations Joint Study Workshop: In search of A Global Standard for better IR Communication, 2013 December 3 to 5, organized by The Overseas Human Resources and Industry Development Association (HIDA). Jakarta, Indonesia.

1. Current Situations of Industrial Relations in Japan

1.1. Declining Union density rate and stable Industrial Relations

The unemployment rate has been fluctuated from 4% to 5% during the last 5 years, and relatively stable at 4% for the last few years. Although the numbers of temporary workers has had slight growth, the total numbers of current employment is 53 million which can be divided into 33 million full-time workers and 20 million temporary workers. It has been not changed for the last 3 years.

The labour union density rate in Japan had been decreased from 30% at 1983 to 20% at 2003, and it had been stabilized at the rate of 18% from 2005 to 2011 as shown in Table 1 and Figure 1. Also the numbers of union members have been declined constantly to the recent years. As a same token, the numbers of union have been getting lower year by year.

On the other hand, the union members of part-time workers have increased from 600 thousand in 2008 to 800 thousand in 2012, the union density rate for these workers has changed from 5.0 % in 2008 to 6.3% (a report from Ministry of labour and Health and Welfare). In particular, the unionization has advanced in service sectors in the recent years.

Table 1: Union density rate in Japan

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>23.8</td>
<td>21.5</td>
<td>18.7</td>
<td>18.1</td>
<td>18.1</td>
<td>18.5</td>
<td>18.5</td>
<td>18.0</td>
</tr>
</tbody>
</table>

(Source) Ministry of Labour and Health and Welfare, Basic Survey on Labour Unions

Figure 1: Declined and stagnated union density rate

(Source) Same as Table 1
Table 2: Number of labour disputes

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>1995</td>
<td>209</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2000</td>
<td>118</td>
<td>60</td>
<td>46</td>
<td>54</td>
<td>52</td>
<td>48</td>
<td>38</td>
<td>28</td>
</tr>
</tbody>
</table>
(Source) Ministry of Labour and Health and Welfare, Survey of Labour Disputes Statistics

Table 3: Average length of employment (years)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>10.8</td>
<td>11.9</td>
<td>12.4</td>
<td>12.8</td>
<td>13.3</td>
<td>13.5</td>
<td>12.8</td>
<td>13.3</td>
</tr>
<tr>
<td>Women</td>
<td>6.1</td>
<td>6.8</td>
<td>7.2</td>
<td>7.6</td>
<td>8.8</td>
<td>8.8</td>
<td>8.6</td>
<td>9.0</td>
</tr>
</tbody>
</table>
(Source) Ministry of Labour, Basic Survey of Wage Structure

In terms of labour disputes, the statistics indicate the incidents of the industrial disputes including strike has been recorded at very low rate, for example, it has only 28 cases in 2011. (See Table 2) The average length of employment has been increased steadily both for male workers and female workers. (See Table 3) And, a survey of 173 large companies indicates that 96.3 % of the companies keep long-term employment practice in the future (Survey by the Japan Productivity Center).

### 1.2 Japanese IR at crossroad

However, the economic stagnation promoted the new formation of labour unions at various levels of Japanese SMEs in the last decade. More than 800 unions in average have formed each year, and the major reasons for forming union was workers’ dissatisfaction with working conditions (Oh, 2012). Above all, wages and working time issues are most representing claims to labour conditions. Researchers suggest the newly formed unions had needed the communication channels for better working conditions (Oh, ibid, p.15).

Increased dissatisfaction with working conditions and negative wage increase affected badly to the consumer market, it can be regarded as a major source of economic stagnation for the last so called lost 2 decades. So, Prime Minister Abe proposed in 2013 promoting the discussion at national tripartite body for wage increase to boost economy after the introduction of new consumer tax with strong request for employers’ organization such as Keidanren (Japanese Business Federation).

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Japanese business stands at crossroad in a globalizing economy. Japanese corporations have to keep their sustained competitive advantage caused from long-term commitment of the workers and good employment practices while they are forced to reform the way of human resource management in various ways. This paper will review the Japanese good employment practices for the productivity enhancement from new concepts and perspectives of organizational behavior using the terms of "Organizational Citizenship Behavior" and "Psychological Contract" of employment.

2. Productivity movement from 1955 to the early 1990

2.1 Japan Productivity Movement

After the turbulence of unstable industrial relations, a Japanese national tripartite body called the Japan Productivity Center was established to advance nation-wide productivity movement through cooperative industrial relations in 1955. This event became a turning point from confrontational industrial relations to cooperation to have a financial output to be shared with the high economic development through productivity enhancement at workplace as shown in Figure 2. From 1955 to the early 1990s, Japan labour economy was successful in forming efficient and effective nation-wide management known as Japan as No.1 with high economic growth cum very low unemployment rate; then, the harmonious industrial relations formed the cooperative communications in internal social partners in an enterprise.

Japan Productivity Center issued three guiding principles which had influenced broadly to the nation-wide labour-management cooperation for the following years. The three guiding

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principles agreed by the social partners can be summarized as 1) Employment security, 2) Fair distribution of increased productivity, 3) Joint Consultation system. The three guiding principles are explained more in the agreed document in the following ways.

1) In the long run, improved productivity would increase employment. However, during the transition period, before the full effects of improved productivity have yet become apparent, the government and the people, in order to minimize temporary frictions which may disturb the national economy, must cooperate to provide suitable measures such as transferring surplus workers to areas where needed (Shukkoh) in order to prevent unemployment.

2) The fruit of improved productivity must be distributed fairly among management, labour and consumer in correspondence with the condition of the national economy.

3) In developing concrete measures to increase productivity, labour and management, conforming to the conditions existing in the respective enterprises, must cooperate in discussing, studying and deliberating such measures.

These principles promoted the common employment practices at individual enterprises in Japan. As the first principles, large corporations had introduced a specific transfer arrangement (secondment) of the own workers to the associated and suppliers.

And, associated smaller corporations received those workers. It was executed for the purpose of maintaining the original employment security in the other company in which their wages are paid by the sending companies. This practice was largely observed at the large corporations like Toyota at the crisis time such as the oil crisis in the 1970s, and it is still maintained at the current times.

The principle 2 induced a principle of wage negotiations between labour and management in that “wage increase should be the level within the productivity enhancement”. This practice was clearly reflected in the parallel corresponding fluctuation of the wage and consumer price from the 1970s to 1990s shown as Figure 3.

The third principle above, promoted labour-management consultation body in nation-wide.

2.2 Importance of universality of productivity movement

The unions were not unanimously positive toward the agreement with these productivity guiding principles since many unions were fragmented by a few national centers. One part of the national center of the labour union agreed with participation in the productivity, then it
triggered the momentum of the nation-wide movement together with the following factors.

New concept from Europe

These principles had been gradually and broadly understood by the business managers and workers because the universal importance of productivity enhancement relates to respecting humanity and human side of management. This point of view led to the justification for the union involvement to the productivity enhancement. As a referent text to this philosophy, the Report on the Roman Conference in 1956 was often quoted in various occasions at workplace meeting for introducing productivity movement between management and workers. It said "Productivity is above all things a state of mind. It is the mental attitude by which we advance the state of things or aim for continual improvement. It is the belief that it is possible to make today better than yesterday; further, it is the belief that tomorrow will be even better than today”.

Sympathy with "Humanity"

After the end of the Second World War, Japanese economy started from empty. Experiencing a dynamic economic surge many business leaders proposed humanity based management to fill in this empty. For example, Konosuke Matusita (1894 to 1989), the founder

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of Panasonic; one of the most respectful managers in Japan, said that "the company is the place for realizing employees' humanity and growth".5

As described in Figure 4, the aspect of respecting humanity in productivity movement gave broad sympathy with the larger part of labor unions which sought the democratic and free union movement. It became the justification of the cooperation by the labor side with productivity movement at workplace.

On the basis of the common interests, labor union and management found shared interests in the human sides of productivity. Y. Murasugi pointed out that aspects of humanity were recognized by the workers and managers at workplace in working life, skill and emotion. Murasugi translated these aspects into the tackling issues of industrial relations into the followings shown as Figure 5.6

Firstly, working life has the nature of indispensable dignity. So, social partners have to tackle with the improving health and safety, mental health, environment and quality of working life. Secondly, the social partners have a shared value with workers' skill which has limitless potentials. This can be released by training and development by public vocational training and internal training arrangement, and by evaluation and promotion, placement and job rotation by employers. Thirdly, the emotional side of humanity is getting importance in terms of social connection which can be strengthened by division of labour, workers participation and effective

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6 Y. Murasugi, Murasugi, Kigyounai no Rosikankei (In-house industrial Relations). Japan Productivity Center, 2013, pp.136 to 137.
communication at workplace. Anyway, the finding of the aspects of humanity at workplace should be a starting point for discussing the productivity movement by social partners.

**New Recommendation of ILO in 1952**

The ILO Standards also promoted the understanding of workers and labour unions for the cooperation to productivity movement. So called "Cooperation at the Level of the Undertaking Recommendation" (No. 94) of the ILO adopted in 1952 recommended that "appropriate steps should be taken to promote consultation and cooperation between employers and workers at the level of the undertaking on matters of mutual concerns not within the scope of collective bargaining machinery, or not normally dealt with by other machinery concerned with the determination of terms and conditions of employment".

Hence, these universal ideas to involve workers to productivity movement promoted dissemination of the importance of the view widely and at various levels of management and workers. The idea of mental and spiritual improvement of European productivity, the ILO principles of "Labour is not commodity", and humanistic sides of management all contributed to the justified objectives of the productivity movement in Japan. In the middle of 1980s the introduction rate of "Joint Labour and Management Consultation" system reached more than 90% for the large companies with 5000 employees and more, and more than 80% for the total
surveyed company (a series of Ministry of Labour Survey on Joint Labour-Management Consultation system). The most recent survey of the system shows the rate is remaining high in 2005 at the 50 year anniversary of the introduction of Joint Consultation System.

The role of Joint Consultation in IR

Joint Consultation system is not a separate communication channel beside collective bargaining. They have different functions but complementary. Table 4 shows comparative differences between Joint Consultation system and collective bargaining.

The importance of the two ways communication model seems to be broadly understood by the social partners throughout the world. European countries introduced many consultative systems to include workers representatives and unions for decision making of the management. Also, many national centers of the labour unions proposed the establishment of communication routes besides collective bargaining.

The standpoint of Trade union in Asia

For example, the Trade Union Congress in Asia and Pacific agreed with the importance and validity of this model in 2009. This agreement can be described like figure 6. This figure shows the conceptual structure of the ITUC-AP framework of "Constructive Industrial Relations".

| Table 4: Comparison of Collective Bargaining and Joint Consultation System |
|---------------------------------|---------------------------------|-----------------|
| Rule                           | Collective Bargaining           | Joint Consultation System |
| Trade Union Law                | Negotiation of working conditions | Mutual agreement |
| Making collective Agreement    | Participation                   |
| Objectives                     | Productivity enhancement        |
| Scope                          | Information sharing             |
| Workers conditions             | Management and Production issues|
| Negotiation rules              | In Charge                       |
| In Charge                      | Representatives from labour and management | Agreed persons |
| Dispute                        | Strikes included                |
| Protection                     | Employers responsibility        |
| Non-discrimination for persons in dispute | Report, consultation, agreement, not strikes |
|                                 | Informal agreement              |

(Source) Adapted from Y. Murasugi, Murasugi, Kigyounai no Rosikankei (In-house Industrial Relations), Japan Productivity Center, 2013, p.91.

Important agreement of Asian trade unionists can be summarized in the followings.

—Workers' Rights means: full recognition of the operations of trade unions in compliance with ILO Conventions 87 and 98.

—Partnership means: labor and management can share a common interest in labor standards, performance of business, conditions of national economies, industries and the labor market.

—Based on workers' rights, we can realize a fair distribution of outputs.

—The aim of these structures and activities is to pursue decent work.

3. Productivity movement and Organizational Citizenship Behavior

3.1 Productivity and OCB

The productivity requires both effectiveness and efficiency in the following way. Efficiency for productivity is easy to understand in terms of cost efficiency doing at low cost. So, improving effectiveness is a key point for the productivity to make a difference. S. Robbins explained that effective organization in particular, needs organizational cohesion to meet the needs because it can enlarge the extent to which members of organization support and validate one another while at work. It makes a group function.8

The effectiveness explains Japanese good practices for improving productivity at working place such as 5S and small group activities. In this sense, the term "Organizational Citizenship Behavior (OCB)" in the academic field of Organizational Behavior demonstrates the effectiveness of organizational cohesion of Japanese group function. The Organizational Citizenship Behavior is a workers attitude to undertake special behaviors beneficial to the

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organization that extend beyond contractual obligation. This Practical attitude has always been demonstrated as a typical organizational commitment of Japanese workers at workplaces. Also, effective working place learning and training in Japanese companies require such a behavior to give skill training to the colleagues on the job.

A lot of studies of Organizational Citizenship Behavior suggest that it requires job satisfaction. An influential study pointed out that “fairness” is the prerequisite factor when job satisfaction can promote Organizational Citizenship Behavior. Job satisfaction can be created if worker can feel fair outcomes, treatment and procedures. S. Robbins points out that these conceptions of fairness will lead to trust development. He follows that “when you trust your employer, you’re more willing to voluntarily engage in behaviors that go beyond your formal job requirement”.

3.2 The three guiding principles and Organizational Citizenship Behavior

Three conditions of job satisfaction to lead to Organizational Citizenship Behavior correspond to the guiding principles of Japanese national movement for productivity enhancement as follows.

1) Fair outcome and fair distribution

The fair distribution in Japanese industrial relations was realized by the intensive wage negotiation by enterprise-based union and management of the company at spring time (known as Shun-to). The collective agreement concluded the base-up of the periodical wage increase which will affect unanimously increase of each monthly salary and bonuses at single rate.

The survey and research suggest this collective increase of wages as a fruit of financial performance can satisfy the majority of the workers with the sense of fairness. The working value to be treated as a member of the organization can be the reasons why the workers would like to have the same compensations.

2) Fair treatment, and employment security

The sense of fair treatment for Japanese workers was strongly connected with life-time

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employment and employment security by the employer. As Hofstede’s Cultural Value explained (as in Table 5) Japanese working culture regards avoidance of uncertainty as a prioritized treatment. The second principle of the productivity movement in Japan suggest that this is precondition for sharing workers cooperation. And, Shukkoh (inter-firm transfer of employees) is commonly used for keeping employment security at the time of employment retrenchment. Employment security from the sending company can be regarded as maintained even if those workers are working at another company. Surprisingly, the wages of the transferred workers are paid by the sending corporations in all or in most part. This is the arrangement of employer to keep employment security. In general, there is a unilateral flow of employees from parent company to its subsidiaries and suppliers.

A survey related to Shukkoh in 1989\(^1\) reported that 10% of the employees in surveyed corporations are subject to Shukkoh. Also, 20% to 30% of the workforce in the recipient corporations are the transferred. Moreover, the transferred persons hold higher managerial positions at the recipient companies. 85% of the president of the recipient companies are the transferred persons, and more than a half of all managerial positions are held by the transferred persons.

3) Fair process and Joint Consultation system

The Joint Consultation system is regarded as the highest level of employee involvement because it involves decision-making.\(^1\) A major aim to introduce employee involvement is to enhance productivity. The employee involvement through Joint Consultation system can give workers more autonomy over work task, then; it will strengthen organizational citizenship. As a result, it leads to increase higher commitment of workers to the organizational goals which will contribute to the enhanced individual and organizational performance.\(^1\) This involvement-commitment cycle is depicted in Figure 7.

![Table 5: Hofstede’s Cultural Value Ranking and Index](attachment:image.png)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Japan</th>
<th>Hong Kong</th>
<th>India</th>
<th>Indonesia</th>
<th>Korea (South)</th>
<th>Malaysia</th>
<th>Pakistan</th>
<th>Philippines</th>
<th>Singapore</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index</td>
<td>92</td>
<td>29</td>
<td>40</td>
<td>48</td>
<td>85</td>
<td>36</td>
<td>70</td>
<td>44</td>
<td>8</td>
<td>64</td>
</tr>
</tbody>
</table>

(Source) Geert Hofstede BV

\(^{12}\) Koyo Syokugyo Sogo Kenkyusho (National Institute of Employment and Vocational Research), Shukkoh Tenseki no Genjo to Kadai (The current state and issues of Shukkoh and Tenseki, 1989).

Figure 7: The involvement - commitment Cycle

Managers perceive the need for involving employees in the decision-making

- Improved individual and organizational performance
- Introduce new forms, employee involvement and open communication mechanism
- Increased employee job satisfaction, motivation and commitment
- Greater autonomy and input into decision-making


So called "high context" nature of organization was pointed out as a feature of Japanese company. It needs more informal and complementary channels of communications. The Joint Consultations are used such a communication channel besides collective bargaining.

4. Psychological Contracts at work in Japanese companies

Basic employment pattern of the school leaver in Japan would start their job hunting activity more than one year before the graduation. In fact, this practice has formed a smooth transition from school to work transition. Most of them have got employment contracts without fixed period. Newly graduated young employee can expect the employment security until the retirement age and steady incremental wages according to the length of employment.

The importance of this expectation can be explained by the concept of "Psychological Contracts" in employment. The term is defined in that "the Psychological Contract" encompasses the actions employees believe are expected of them and what response they expect in return from the employer."¹⁵ The Psychological Contract is about exchange, and it is a perceived agreement beyond actual agreement. This exchange can be described in Figure 8.

Figure 8: General Example of Psychological Contract exchange

<table>
<thead>
<tr>
<th>Organization offers</th>
<th>Employee offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>Effort</td>
</tr>
<tr>
<td>Training</td>
<td>Skills</td>
</tr>
<tr>
<td>Respect</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Promotion</td>
<td>Creativity</td>
</tr>
</tbody>
</table>


Table 6: Comparing transactional Psychological Contracts and relational Psychological Contracts

<table>
<thead>
<tr>
<th></th>
<th>Transactional psychological contracts</th>
<th>Relational psychological contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time frame</td>
<td>Short-term</td>
<td>Long-term</td>
</tr>
<tr>
<td>Degree of specificity</td>
<td>Highly specified</td>
<td>Loosely specified</td>
</tr>
<tr>
<td>Resources exchanged</td>
<td>Tangible, Monetary value</td>
<td>Socio-emotional intangible</td>
</tr>
<tr>
<td>Explicitness of promises, Negotiation</td>
<td>Explicit, formal agreement</td>
<td>Implicit</td>
</tr>
<tr>
<td>Examples</td>
<td>Performance based pay</td>
<td>Job security</td>
</tr>
</tbody>
</table>

(Source) Adapted from N.Conway, R. B. Briner, Understanding Psychological contracts at work, Oxford, 2005, p.44

D. M. Rousseau pointed out the most common Japanese Psychological Contracts were strongly relational opposed to the transactional one. Relational Psychological Contracts is long-term, ambiguous and implicit and employment-oriented indicated in the Table 6. Relational Psychological Contracts is evident in Japan particularly up to the early 1990s before the collapse of "the bubble economy".  

The recent studies suggest that the compliance of Psychological Contract in Japan is declined in that the numbers of workers who feel the violation of the Psychological Contract reached at 15.6% in the surveyed workers in 2007. This decline led to the decrease of job satisfaction, organizational commitment, performance and Organizational Citizenship Behavior, and increase of workers turnover.

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17 Y. Hattori, K. Arai, the Final report on the Psychological Contract of Japanese Companies, graduate School of Kobe University, monograph series of Ph. D course.
5. Conclusions

Japanese productivity movement had advanced in the high economic growth period from 1955 to the early 1990s. The guiding principles of productivity movement are 1) Fair distribution of increased productivity, 2) Employment security, 3) Joint Consultation system. These principles contributed to the “Organizational Citizenship Behavior” and “Psychological Contract.” Psychological Contract in Japanese companies reflected workers’ expectations of long-term employment and employment security, steady wage increase and seniority wage incrimination. Wage negotiation practices, transfer of the workers are also conducive to the Organizational Citizenship Behavior.

Table 7 shows the frameworks of Japanese productivity movement and industrial relations and practical wisdoms. The studies of the Organizational Citizenship Behavior (OCB) and Psychological Contracts support the strengths of the Japanese productivity management and industrial relations.

However, the strength of the guiding principles of productivity movement has been weakened in the last two decade. Because of the economic stagnation the wage increase has not been affected by Shun-to. Spring wage increase using the Laspeyres Wage index\(^\text{19}\) (net change) shows constant decline of the monthly wages in Japanese company. The increase of turnover rate has been increased gradually; the school leavers left the initial jobs in three years; over 70% for junior high school graduates, 50% for high school graduates and 30% of university graduates.

The recent survey on Joint Consultation system suggests weakening functions of the system. The frequency of the Joint Consultation was decreased from 1985 to 2005. (See Table 7).

<table>
<thead>
<tr>
<th>Table 7: Practical wisdoms of Japanese Productivity Movement and Industrial Relations</th>
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</thead>
<tbody>
<tr>
<td>Guiding principle of Productivity movement</td>
</tr>
<tr>
<td>OCB contributors</td>
</tr>
<tr>
<td>Psychological Contracts of Japanese workers</td>
</tr>
<tr>
<td>Incremental seniority wage system</td>
</tr>
<tr>
<td>Standardized wage negotiation (Shunto)</td>
</tr>
</tbody>
</table>

(Source) drafted by the author

19 JILPT, Useful Labour Statistics, each year.
quality of the shared information was declined in that the extent to sharing data and printed material were decreased. (See Table 8) And, the expected effects were not recognized enough by the managers. (See Table 9) There is a need for revitalization for Joint Consultation system.

OJT (on the Job Training) as working place learning is very effective and efficient with low cost training. It also needs Organizational Citizenship Behavior. For promotion of OCB, workers have to feel the sense of fair treatment, fair rewards and fair process. The McDonald's Company (Japan) ceased the compulsory retirement age in 2006, but it reintroduced the retirement age at 60 in 2012. Japanese top management of McDonald Japan reportedly said that skilled workers became to devote themselves to show individual performance, and teaching junior staff seemed to be difficult after the suspension of the retirement age. Consequently, the recovery of retirement age can expect reformation of the corporate culture to develop human resources.

Thus, Japan productivity movement was very successful because it could gain workers' high commitment stemming from the important factors of OCB and Psychological Contracts.
Table 10: Proposed Agenda of IR for Productivity

| 1. Fair distribution | Labour distribution rate  
|                      | Equality in diversified employment  
|                      | Perspectives of M&A  
|                      | Fair distribution among stakeholders  
|                      | incl. share holders, consumers, society  
| 2. Employment security | Temporary workers  
|                      | Work sharing in society  
|                      | Work life balance  
| 3. Joint consultation | Perspectives of M&A  
|                      | Inter-firm consultation  
|                      | Individual grievances  

(source) Same as Table 4

Table 11: Value Ranking Executives, Union and Activists (Top Five)

<table>
<thead>
<tr>
<th>EXECUTIVES</th>
<th>UNION MEMBERS</th>
<th>ACTIVIST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminal</td>
<td>Instrumental</td>
<td>Terminal</td>
</tr>
<tr>
<td>1 Self-respect</td>
<td>Honest</td>
<td>Family security</td>
</tr>
<tr>
<td>2 Family security</td>
<td>Responsible</td>
<td>Freedom</td>
</tr>
<tr>
<td>3 Freedom</td>
<td>Capable</td>
<td>Happiness</td>
</tr>
<tr>
<td>4 A sense of accomplishment</td>
<td>Ambitious</td>
<td>Self-respect</td>
</tr>
<tr>
<td>5 Happiness</td>
<td>Independent</td>
<td>Mature love</td>
</tr>
</tbody>
</table>


However, the scope of OCB and Psychological Contracts have to expand not only to core male workers but also to female, temporary and retired employees.

The report for the future productivity and industrial relations at the 50th anniversary pointed out that the strength of Joint Consultation is the communication between management and workers at workplace. Although the way of IR communication in Japan seems to be remained, but it is certainly weaken because expanding scope of workers from traditional framework of IR. Murasugi proposed the new agenda for Industrial Relations for productivity enhancement shown in Table 10.

The most challenging issues of Japanese IR cover precarious workers. Part-time workers are suffering from widening gap between regular staff and non-regular workers. Since most of part-time workers are not union members, the other organization like NGO can be included.

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into new IR communication as an important stakeholder at workplace. Trade union is the most important internal stakeholder, however, the need for communication with the other stakeholders who has the alternative value of equality and society (See Table11), should be included beyond the traditional framework of IR in Japan.