

博士論文概要

**The strengths of Japanese Human Resource Management  
and Labour-Management Relations,  
and the challenges in supply chains in Asia;  
Employment practices, labour conditions and standards**

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# **The strengths of Japanese Human Resource Management and Labour-Management Relations, and the challenges in supply chains in Asia; Employment practices, labour conditions and standards**

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## **Abstract of the dissertation**

This dissertation is a comprehensive studies compiled the fruits of past field and literature studies by the author for the past 30 years on Japanese human resource management and labour-management relations, its transferability and labour standards issues in the supply chains in Asia. The author had many field studies mainly in South East Asia, Europe and the other occasional field study visits to the other areas.

The common topic throughout the studies is a perspective of comparative study on the Japanese industrial management and its supply chains in Asia and the other models centered on western models. Applicability of Japanese model in Asia and emerging new agenda in globalizing economy centered on the compliance of international labour standards in supply chains is the matter of concern in this dissertation for the Japanese human resource management and labour-management relations at current time and in the future.

This dissertation aims at better understanding of the strength of Japanese management and the applicability to the foreign countries. Also, it introduces a new agenda for globalizing Japanese corporations to operate in a sustainable and inclusive ways in the local society and in the global supply chains.

## **Three main themes**

The first theme is *the strength of Japanese management*. It includes the inter-firm cooperation based on long-term relations because the strength of Japanese management largely depends on suppliers' cooperation. From the late 1980s to the 1990s the Japanese management attracted global business competitors and academic researchers research initiatives on its high competitiveness in the global economy. In macro perspective, unemployment had been extremely low in the industrialized countries. The author worked for the ILO from 1988 to 1991, and had a lot of requests to translate Japanese strengths of the employment and competitive advantage especially in competitive automobile and electronics industries.

Major arguments at that time was focused on its uniqueness of Japanese-style

management. The contributions of British writers in the late 80s<sup>1</sup>, for example, focused on Japanese management regarding as a role model of excellency.

Above all, Oliver and Wilkinson (1988) provided theory of 'high dependency relationships' of Japanese industrial management<sup>2</sup>. It explains that integral part of Japanese model is dependency on the long-term high commitment of workers and also suppliers which requires greater interaction and increased coordination of internal workers and external suppliers.

Bratton (1992) added newly emerged human resource management (HRM) as additional supporting theory as explaining the strength of Japanese style management.<sup>3</sup> This theory is regarded as a successfully integrated model of the human resource management and labour-management relations (LMR). However, he indicated that many British firms failed to synchronize their personnel and labour relations carefully to manufacturing strategy<sup>4</sup>.

The second theme is *transfer of Japanese management to Asia*. The transferability of Japanese model was often argued, but the always accompanied with the cultural uniqueness of the Japanese-style management. Universal applicability has not been examined well with reference to the case study of expanding Japanese foreign direct investment (FDI)<sup>5</sup>.

As a matter of fact, after "plaza agreement" in 1985, Japanese corporation opened the new road to transfer its production to foreign countries in much greater scale than before. It continued until the collapse of bubble economy during the high appreciation of the yen. Transfer of Japanese management has been an important issue at the fields of official development aid (ODA) and foreign direct investment from Japan and expansion of global supply chains of Japanese manufacturing industry in Asia. It should be also reviewed the suppliers' networks forming supporting industry

In the 90s Japanese management was tested challenged in industrial restructuring, and global operation of Japanese management began to create supporting industries in local economy.

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<sup>1</sup> These includes Pascale, R.T. and Athos, A.G. (1986), *The Art of Japanese Management*, Harmondsworth, Penguin, Schonberger, R. (1986), *world class manufacturing*, London, Collier Machmillan, and Gordon, D.D. (1988), *Japanese management in America and Britain*, Aldeshot, Avebury.

<sup>2</sup> Oliver, N. and Wilkinson, B. (1988), *The Japanization of British Industry*, Oxford, Blackwell.

<sup>3</sup> Bratton, J. *Japanization at work*, The Machmillan press, p.31.

<sup>4</sup> Bratton, *Ibid*, p. 34.

<sup>5</sup> The author visited eight Japanese subsidiaries and had interviews with managers in charge and ex-trainees to Japan in December 2015. There was strong request to transfer Japanese management to local operation to execute global business operations.

The third theme is *labour standards and conditions in supply chains in Asia*. From 2000 the social issues were appeared as a critical factor in the globalized operations of Japanese management. Corporate social responsibility (CSR), and human right issues are emerged in the context of expanding global supply chains. The discussion of free trade and core labour standards was a big issue at many international organizations such as World Trade Organization, and the major topic on fair trade practices was converged into the issues of human rights because any nations and stakeholder cannot deny the universality of human rights and the related labour standards.

After the Millennium Development Goals (MDGs), United Nations General Assembly formally accepted Sustainable Development Goals, global business activities are required in more sustainable and inclusive ways. The Japanese management especially for Japanese multinational enterprises are challenged to react with *due diligence* to emerging human right issues such as equality and long working hours in service industry.

## **Organization of the dissertation**

This dissertation is divided into three parts according to major themes;

- I A model of Japanese-style management**
- II Transfer to Asia**
- III Labour standards and conditions at supply chains in Asia**

### **Part I : A model of Japanese-style management**

Chapter 1 presents stereotypes of Japanese human resource management and labour-management relations. Since the high commitment based on long-term employment is a source of competitiveness of Japanese human resource management, employment practices from job assignment, rewords, the rotation of skill training to cooperation at labour-management relations at workplaces are reviewed with rational explanation of the mechanism. Focus is the strength based on the stereotypes of Japanese management.

Chapter 2 examine the source of worker's high commitment and organization citizenship behavior using the terms of psychological contract and recognitions of fairness by workers in the discipline of organizational behavior. It seeks to demonstrate that the Japanese national productivity movement contributed to induce high commitment of workers.

Chapter 3 gives detailed analysis of the employment adjustment of food and drink industry in response to technological change and industrial restructuring. The extensive security of employment was observed through early retirement scheme in large scale

companies in the late 1990s. This case presents a representing practice of functions of numerical flexibility of Japanese employment system.

Chapter 4 gives comprehensive review of industrial subcontracting in Japanese manufacturing. It looks at the process of formation of subcontracting webs which formed multitier structure. The competitive upgrading of production and cooperative interactions with assemblers are also embedded in this supporting industry. A fostering model of small and medium-sized enterprises (SMEs) is proposed using Japanese inter-firm networks.

## **Part II: Transfer to Asia**

Chapter 5 introduces the case of Toyota Thailand as the demonstrated resilience of its suppliers' networks in Thailand against the Asian financial crisis in 1997. The Toyota suppliers were not shut down in the serious and negative business situations in the local market. Based on the field study in 1999 and 2000, not only the support from final assemblers and Japan but also autonomous competition and cooperation of local suppliers' association were observed, and they played the integral role to improve their production in the crisis.

Chapter 6 reviews the previous chapters of Japanese subcontracting concept and practices. This section searches for the applicable model of small and medium-sized enterprise (SMEs) development using the framework of TNC (Transnational corporation)-SMEs linkage of UNCTAD (United Nations Conference for Trade and Development).

Chapter 7 look at soft side of technology transfer from Japan to Asia. The focus is skill training and labour consultation system in an enterprise. It takes a close look at the concept of "intellectual skills" of Japanese workers advocated by Koike. This chapter concludes that transfer of soft side of technology is greatly dependent on people's adaptive ability.

Chapter 8 contains case study of eleven Japanese subsidiaries in auto and electronics industry in Thailand conducted in 1990. The focus is introduction of new technology and its impact on employment and subcontracting relations. One-month survey with detailed interviews with top managers gives viability of the introduction of new technology on the effects of employment generation and expanding subcontracting networks.

Chapter 9 gives perspectives on human resources development of local SMEs in developing Asia. Missing middle of the capable SMEs requires more effective and low-cost training system in developing countries. Workplace training of Japanese companies is reviewed as a possible introduction of training system. This chapter discusses the needs of training situations in Asia based on replies to the questionnaire prepared by the author.

Chapter 10 deals with vocational training of public institutions and in-house training in a company. It discusses that Japan's strength is located on the workplace training in the large company and the complementarity of public vocational training institutions especially for SMEs and local labour market. It proposes international networking of the vocational training and education for effective human resources development.

### **Part III: Labour standards and conditions in supply chains in Asia**

Chapter 11 takes a close look at the detailed discussion of international labour (ILO) standards and developing countries in the late 1980s. The perspectives of universality and regionalism was confronted between developed and developing countries in Asia over the application of ILO standards. After the review of setting process of the standards, suggestion for full participation of the standards in the process is proposed.

Chapter 12 follows the discussion of the previous chapter, and elaborates the process of fixing the core international labour standards. For securing universality of the ILO standards, ILO declared eight core labour standards from fundamental rights at work. It defines the human rights related standards of four areas; freedom of association, free from forced and child labour, and no discrimination at work. These core labour standards affects in a lot of fields like free trade agreement, development assistance, international financial and investment standards, and many international initiatives of corporate social responsibility (CSR).

Chapter 13 provides overview of the standpoints by employers' organizations in Asia. The questionnaires of 13 countries representative employers' organization prepared by the author is analyzed. After recognizing voluntary and multi-stakeholder approach of CSR, the employers' standpoints towards international CSR initiatives is observed. They are positive to disseminate the information of the initiatives for member companies and try to utilize them as a promoting tool of competitiveness and productivity.

Chapter 14 suggests a new approach to living and working conditions in Asia. It emphasizes the reciprocity between working at enterprise and living in community conditions in the creation of work-life balance. This new approach is a new challenges of Japanese management both in Japan and Asia. The chapter touches upon income and poverty situations and long working time which is a next important agenda for Japanese management overcoming limitation of employment security over the regular workers in large companies.

### **Features of the study**

The approach of the study is a set of conceptualization of the Japanese models and experimental study with case studies. Information and materials of case studies have been collected from fields studies composed of interviews and hearings, and through questionnaires.

For example, After the 6 months' study at graduate school of Chulalongkorn University in Bangkok in Thailand in 1982-83, the author has had 14 field studies in Thailand in 1986, 1990, 1993, 1995, 1996, 1998, 1999, 2000, 2002, 2003, 2007, 2011, 2012 and 2015. Questionnaires were sent to around 20 Employers Organizations in Asia in 2007 and 2011. The responses are reflected in the study of Chapter 9 and Chapter 13.

In Section 3, the theme of labour standards and condition in globalizing economy is old and very new one. The social dumping was discussed at the foundation of the International Labour Organization (ILO) in 1919, and sanction clause at the time of non-compliance of core labour standards is included at the TPP (Trans Pacific Partnership) agreement which is waiting given effects in 2016.