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FREAKS, GENTLEMEN AND FANATICS - THREE JAPANESE COMPANIES AND THEIR CORPORATE CULTURES

Holger Bungsche, Erlangen

1. Instead of an Introduction:

It was in early evening on a hot and humid August day in the Tsukiji district of Tōkyō not far away from the Ginza. A group of three men, two in their late fifties and one approximately thirty years younger, left one of the many business buildings in this district through the back entrance, usually only used by the employees. The three men were immediately approached by one of the black Japanese luxury limousines, all of the same type, which were waiting on an area reserved for the cars of top executives. The driver dressed in a black uniform with white gloves jumped out of the car, and while apologizing for having kept the three men waiting opened the door behind the driver's seat. (In Japan the seat behind the driver is perceived to be the best, the second best is the one behind the front seat, then follows the front seat itself, and the worst is the middle one in the back.) While the driver was bowing, the two older men asked the younger one to take the seat behind the driver. The young man, of course, didn't want to accept, saying that this seat would not be appropriate for him and that one of the older men should take it. Several attempts by each side to convince the other to take the seat of honour followed, before the young man finally gave in and sat down, deeply apologizing for being so impolite. The older men walked around the car, and after they had taken their seats, the car drove away.

So far the story is hardly worth describing in detail, since it is an everyday situation in Japan. Nevertheless, one distinct difference between the situation just discribed and other similar situations I had seen so many times puzzled me.

While the two older men were wearing gray and dark blue business suits and elegant looking ties, as one would expect in Japan, the young man was dressed in colorful Indian style cotton shirt and trousers, wearing bracelets and earrings, the latter hardly visible because of his long violet hair.

What struck me most, however, wasn't the appearance of the young man, but the contradiction, as I perceived it, between his appearance and

behavior, and the fact that the situation seemed not to be strange at all for the two older gentlemen.

As mentioned, this scene didn't happen on a Sunday afternoon in Harajuku, where young, colorfully dressed people gather to have fun. It happened at the headquarters of Dentsū Inc., Japan's advertising and marketing giant.

As I was told later, the extravagantly dressed young man had received an award for an outstanding TV advertisement, and was therefore accompanied by two board members to a reception celebrating this event.

2. How homogeneous is Japan Inc.?

One aspect of most publications on Japanese business and management in Western languages is that we often find an in-depth discussion about Japan's 'unique culture' and its influence on Japanese business behavior, but considerations as to the impact of *corporate* culture on employees and their behavior in Japanese companies are rare. It is not that corporate culture is entirely ignored but most authors seem to agree on the (unquestioned) assumption that Japan's national culture necessarily results in a single way of organizing a company, making decisions, motivating and leading people, and conducting business. In short, corporate culture is a mere extension of national culture, and is perceived to be as unique and homogeneous as the national culture of Japan.

However, if one talks to Japanese individuals about their work, their life, and their company, many often stress the uniqueness of their company, the way it is treating its employees, and the way it looks at things. Some people even emphasise that they would not be able to work for certain companies because they do not share those companies' value system.

Therefore the question is, whether life inside Japanese companies really always is the same. To what extent do corporate cultures vary? If there is variety, what are the differences, where do they derive from, and what are the impacts, not only on corporate design and management but first and foremost on work, life, thinking, and behavioral patterns of the employees in one specific firm?

To approach these questions, three Japanese companies will serve as examples. Firstly, the above mentioned marketing and advertising com-

pany Dentsū, where I was kindly offered a three months' internship at their Tōkyō headquarters. Secondly, Kyōcera, a leading high-tech company with worldwide reputation, and thirdly, Kirin Beer, Japan's oldest beer brewery. Kyōcera and Kirin Beer provided me with company material on their education program for freshmen, and allowed me to conduct interviews with managers as well as lower rank employees.

First of all I would like to introduce the history and the current business environment of each company, since these are very important factors that shape a company and its employees. This short introduction will be followed by excerpts from interviews which will provide us with first-hand information, not only about the company but also about how the people who work there see themselves in the context of having to arrange their daily lives in accordance with the demands of the company. The emphasis is laid on the interviews because I think it is vital for us that, if we want to learn more about Japan, we first listen to the people of Japan. They know better about their lives, their work and their companies than we do.

A.) Dentsū Inc. – "We are the Designers of Tomorrow's Japan"

The history of Dentsū began in the year Meiji 34 (1901) when Mitsunaga Hoshirō founded two companies, the Japan Advertising Company, and the Telegraph News Agency. In 1907 the companies merged. During the following years the policy of this company, the Japan Telegraph News Agency, was to sell news to newspaper publishers in return for advertising space in their papers. In 1936 the advertising and the news department were separated again, the former continued under the name Dentsū, the latter developed into Japan's official news agency Kyōdō Tsūshin. But still today the link between Dentsū and Kyōdō is very close.

In 1947 a new era began for Dentsū, when Yoshida Hideo became the forth president of the company. Under his presidency the foundations were laid on which Dentsū developed into one of the world's largest advertising agencies. Yoshida gave Dentsū a new distinguished corporate identity, and paved the way into new fields of business, like radio and television advertising. In the late 1960's when private television started in Japan, it was again Dentsū which took the lead, not only providing marketing expertise but also financially engaging in the new TV stations.

In 1974 Dentsū became the world's largest advertising agency in terms of sales, and in 1988 it was elected International Agency of the Year by America's Adage magazine.

Today Dentsū has about 6,000 employees, and by far outperforms its domestic competitors. Because of its widespread connections and its strong position in the media, Dentsū might very well be Japan's most powerful and influential company. Without doubt it is one of the country's most fascinating ones.

Miss K. of MSC Consulting in Tōkyō, which conducts personnel development courses for future Dentsū managers, described the company as follows[1]:

Miss K.: Dentsū, that's a company of 6,000 lonesome wolves, each of them continuously in search of something new. They are working on their own, I mean, everyone of them, they can't work together in groups ...

Question: What kind of people are they?

Miss K.: Well, if I would say that they are a little bit strange, especially the people in the creative division, that would be negative. They are unusual, but more in the sense of being inspiring. It is difficult to say what kind of people they are.

Question: Maybe, if you compare Dentsū people with, let's say, employees of a bank or ...

Miss K.: No, no, you can't compare them with bank employees. The bankers are so pedantic and stingy. Oh, that's right, Dentsū people don't think about money. If they want to achieve something, they do it no matter how much it will cost, even the people from the accounting department are not very strong in money matters. Dentsū people have a vision, a dream, they don't care about money or other things, they just want to realize their dreams.

Question: Is there a difference between the people in the marketing, the accounting, and the creative division?

Miss K.: Yes, I think so. The accountants are more down to earth, but not like the bankers. The people in the marketing division, well, there are some very smart guys amongst them, very bright and

1 Interview, August 9, 1994 (recorded on tape).

clever. I think every Japanese girl would like to have one of them as her boyfriend or husband (laughs) ... And the creators, well, they are very eccentric, individualistic and self-centered, very interesting people, not really the kind of people you would expect to meet in Japan.

Question: You seem to be very enthusiastic about Dentsū.

Miss K.: Yes. I really love to work with Dentsū, in fact it's my favourite client, it's so interesting to work with them, each time I learn so much myself ... I also never met a single Dentsū employee who would like to work for another company, probably he wouldn't be able to do it anyway.

So far Miss K. But how do the people of Dentsū see their company and themselves? Mr. M., head of the two marketing divisions of Dentsū, said in an interview[2]:

Mr. M.: Dentsū has 3,000 clients, no other agency in the world has nearly as many ... We know about every new development several months in advance. It is our task to give these developments shape and to communicate them to the outside world. Therefore our logo, Communication Excellence Dentsū. We are not a mere marketing or advertising agency, our main task is communication ...

We all want a better culture, a better society, a better Japan. But, how this better Japan should look like, every single one of us has to decide, there is no manual for it. Do you think I can tell one of our young employees what young people in Japan should do in their leisure time? No, I can't do that, he should give me a lecture about that, he ought to know better about young people. Therefore I also can't help him doing his job ... Well, sometimes it is not easy to work for Dentsū, it can be very lonely, and many new employees leave the company quite soon ... But, if you want to shape the future, you have to go ahead, you have to have self-confidence, and you only think of what you can move, what you can achieve. And, isn't it better we do it ourselves than leave it to other people?

2 Interview, July 19, 1994 (recorded on tape).

Question: What has, in your opinion, the ideal Dentsū employee to be like?
Mr. M.: Well, he has to be energetic and fit. Each year the freshmen climb Mount Fuji, this year the fastest needed less than three hours from the fifth station to the peak. That's what I call fit. And each year our president and some board members also climb Mount Fuji, even though they are over 50. At Dentsū you don't have time to get old ... Yes, the ideal Dentsū-man has to be fit, after having worked through the night, meet clients in a bar the next evening, have fun and work as if he just got out of bed, take the last train home, and still have enough power to satisfy his wife, you know what I mean, those are the guys we need here. And always coming up with new ideas.

Two younger employees of the marketing division expressed their opinion in the following way[3]:

Question: What is necessary to be successful at Dentsū?
Mr. S.: What is necessary, well in English I would say "footwork, network, overwork".
Mr. M.: Hey, I didn't know that you can speak English. I couldn't have expressed it better.
Question: What do you mean?
Mr. S.: Well, footwork, you are always on your feet to get information, to see what is happening. Nobody comes to you and tells you what is going on, you have to find out yourself. Therefore you need a network. You have to know people who have the information you need. In return you have to have something to offer they need. And overwork, well, you can't say I work till 5 p.m. and then I go home. In the evening one meets customers, looks what is new in the Ginza and the like, you never stop working, I mean, everything around you is your work.
Question: Why then did you join Dentsū, it sounds very hard?
Mr. M.: It is hard, but the money is good. Your salary is quite good at Dentsū. And of course you are special if you are a Dentsū employee. At least everybody in Japan thinks this way. If you work at Dentsū you can have every girl you want (laughs) ...

3 Interview, August 25, 1994 (recorded on tape).

Mr. S.: Hey, be more serious, that's a serious interview (laughs too) ...

Mr. M.: I'm serious, well, cut the girls out, can you do that? But, you are special if you work for Dentsū, it's the best company in Japan, and everybody knows it. It's the company with the highest social ranking.

Mr. S.: And the work is very interesting too. You never do something twice, and you'll never be told what to do and how to do it, that's great ...

Mr. M.: ... if you are the right guy for this way of working, it's great, but I mean not everybody is able to work like we are used to ...

The marketing director Y., who has been with Dentsū for more than 20 years, expressed his views about the working style in the following way[4]:

Mr. Y.: Dentsū, that's an amorphous creature, it moves towards the place where something is happening. That's the most important thing to realize for everyone who works here. But this also means that you never stop working, because you never know where something is happening and where your company is moving to. You always have to be on your guard to see what's going on. If you go to work in the morning, if you watch TV, even if you talk to your wife, you are always eager to hear or see something interesting that you can use for your work. You never stop thinking about your work. If one does not accept this, Dentsū is not the place to be at.

Late at night after dinner and some hours with customers in a bar in the amusement district Roppongi, marketing director K. introduced me on the way home in a cab to his thoughts about the company and his career[5].

Mr. K.: No one can expect to work forever at Dentsū. You might be out sooner than you think. If you are not always on the forefront, if you are not willing and flexible enough any more to start at point zero everytime you have a new project, you'll soon have a problem. Maybe there is someone sitting next to you at the desk

4 Interview, August 19, 1994 (recorded on tape).

5 Interview, September 12, 1994 (written down immediately after the interview).

working on the same project, only for a different company. If his concept is more successful than yours, you will know, but than it is too late for you, at least for this project. You surely realized that we never talk about our work to each other. One reason is that our clients have to be sure that the information they give us won't spread. The other reason is that you can never be sure that there isn't someone else working on a similar project. If you talk to him, he might use your ideas. Well, we are professionals anyway ...

Question: What do you mean by professionals?

Mr. K.: Well, in a way we are not really employees, at least not in the sense you might have in mind. There is a difference if you work for Matsushita, or if you work for Dentsū. At Dentsū, if work gets boring we try something else. Many creators leave the company after they became famous and work on their own. They still work for Dentsū, but on a project basis. Some work for other companies too. Not the company, our work is important.

Question: What does that mean for you? Don't you want to stay with Dentsū until you retire?

Mr. K.: I concentrate on what I know best, meet as many people as I can, learn as much as I can. If I can use this knowledge at Dentsū it's fine, if not, well, ... I think the best thing you can do, no matter what business you are in, and where you work, is to make sure that if you leave, or have to leave, the company looses more than you do. At least, that's what I think, and I act accordingly. Life as a salaryman in Japan isn't that sweet (laughs) ...

Question: How do you make sure that ...?

Mr. K.: No comment, you already know more than enough (laughs again) ...

From the very first encounter on, Dentsū employees make very clear by which values they are driven. They are, individualism, creativity, originality and a strong will to be in control, not only of future trends and developments in their business fields, but also of their own lives. It is this way of looking at things which keeps all these different people together.

B.) Kirin Beer Brewery – "Gentleman style business"

The beginnings of Kirin Beer Brewery reach back to the year Meiji 3 (1870), when the Norwegian born American William Copland founded the Spring Valley Brewery in Yokohama. Although it had a promising start, the beer was not only sold in Tōkyō, Kōbe, and Nagasaki but also in various places in Southeast Asia, the Spring Valley Brewery had to close down in 1884 as a result of mismanagement. At that time Yokohama was a foreign treaty port where, because of the "unequal treaties" imposed by the Western powers[6], property and licenses could only be bought by non-Japanese. It was Thomas B. Glover, adviser to the Mitsubishi company in Nagasaki, who bought the license and facilities in 1885 and founded the Japan Brewery Company. Glover was head of the enterprise, the money came from Mitsubishi. In 1888 the Kirin Beer brandname was created for a German-style lager beer. In 1907 the firm went public and was renamed Kirin Brewery Company with Iwasaki Yonosuke, second president of Mitsubishi, and his family holding the majority of shares. In the following years Kirin grew steadily, building new factories in Iwasaki near Ãsaka and in Sendai. Because of these new facilities, Kirin could continue to brew when the great Kantō earthquake completely destroyed the Yokohama factory in 1923.

Before the war Kirin developed smoothly, opening new factories, and expanding into the production of lemonade. But this development came to a sudden halt when, under war legislation in 1943, food was rationed.

Only in 1949 was Kirin allowed again to produce under its own brandnames, after the beer industry had been deregulated in accordance with the postwar anti-monopoly legislation. By 1954 Kirin was the largest brewery in Japan, leaving Nippon Beer (now Sapporo Beer), Asahi Beer and Suntory Beer behind.

In the years of high growth in the 1960's and 1970's, Kirin consolidated its leading position and diversified into food, softdrinks, pharmaceuticals, and the import of foreign alcoholic beverages. In 1987 Kirin held about 60% of the Japanese beer market, with more or less only

6 In the 1850's at the end of the Tokugawa Shogunate America, Great Britain, Holland, Russia and France forced Japan to sign several treaties granting them the right of entry to Japanese ports for their merchant vessels, the right of residence, fixed customs tariff and extra-territorial jurisdiction.

one brand: Kirin Lager Beer. But things were changing. In the very same year Asahi Beer, for long at the edge of bankruptcy, launched a new brand, Asahi Super Dry, which not only totally changed the taste of the consumer but also for the first time created brand awareness amongst Japanese beer drinkers. In fact, the whole market began to move in a new direction, and competition became much fiercer.

In 1990 Kirin fought back, successfully launching its second main brand, Kirin Ichiban Shibori, which not accidentally in naming and advertising stressed its 'Japaneseness', in contrast to Asahi Super Dry. The latter advertised at that time in front of buildings like the Eiffel Tower in Paris, or the Opera House in Sydney, thus taking on a more international flair.

The four big breweries began to release regional brands, for instance, Asahi: Edo Aji (Asahi: Edo Taste) for the Tōkyō area, or Kirin: Kansai Fūmi (Kirin: Kansai Savor) for the western part of Japan. In addition, seasonal brands like Kirin: Aki Aji (Kirin: Autumn Taste), or Sapporo: Fuyu Monogatari (Sapporo: A Winter's Tale) were sold to accompany seasonal food.

Last but not least an ever growing number of supermarkets and convenience stores allowed to sell alcoholic beverages, as well as ever cheaper imports of foreign beer, wine, and whisky, accelerated the changes in the industry.

The latest move by Kirin to defend its position has been in the winter 1995/96, when the company decided to no longer pasteurize its Lager Beer but to sell it "fresh" *(nama),* like the Super Dry of Asahi, a very risky step which reminded observers of the measures taken by Coca-Cola when it changed the recipe of its Coke because it had lost marketshare to Pepsi. Coca-Cola failed completely, for Kirin it worked at least partially.

The following interview with Mr. S., head of the Personnel Development Division of Kirin Beer, not only gives an impression of the very strong corporate culture at Kirin, but also shows the difficulties changing the corporate identity if a company does not want to sacrifice its values and beliefs on the altar of competition[7].

Question: How would you describe the corporate culture at Kirin Beer? What is special about Kirin?

7 Interview, October 17, 1995 (recorded on tape).

Mr. S.: Yes, starting from the early beginnings of our company, beer is basically a German product ..., and from the very beginning Kirin bought its equipment in Germany. Also the technicians and brewers were German. We wanted to produce the real thing, a real German beer, even if the price would be higher. This thinking, the will to produce the best beer, quality first *(hinshitsu hon'i),* this value has formed Kirin. This way of looking at things is extraordinarily strong in our company. Just as an example, we spent all our money on the best equipment but tried to keep the costs for administration, our headquarters, branch offices, and management as low as possible. Actually, until 1976 we didn't even own the building where our headquarters are located ...

Well, in the last ten years competition has become much fiercer, and the problem is, as you might know, today everybody talks of marketing, market orientation, seeing the things with the eyes of the customer, and so on. The problem is, Kirin has always been product oriented, to produce the best beer. In our company there now is a discussion that we have to adapt to the new thinking but I find the product orientation, the strong belief that if we produce good beer, it will always sell, I find this thinking is too deeply rooted in the minds of our employees.

In this respect, if we talk about corporate culture, I think it is earnestness, our employees – I mean, it is not good to speak of myself – but, I think, amongst our employees there is an extraordinary number of earnest people, and perhaps generous, well mannered, and openhearted, people with a very good character.

And in this sense, over the years, I mean, it is not our management ideology, but sound management *(kenjitsu keiei)* and quality first that are the two pillars on which Kirin is built. But, during the last ten years, changes have been forced upon us, we had to change, we had to become more competitive, but still our old values are very strong.

Another special point is the high esteem for human beings *(ningensei sonchō)* at Kirin. I think this is a very important part of our value system. Kirin, from the very beginning, has been a

company which cares about its people, a company that meets the needs of its employees. Yes, that's quite deeply rooted in our value system. Therefore, just as an example, immediately after the war, although our facilities had been quite heavily damaged, at the time of demobilization, when the soldiers came home from the Pacific war, our former employees were all given back their jobs, and we had them work for us again.

That is to say, apart from very short periods, the relationship between employer and employees has always been exceptionally good.

This is mutual, I think, the company which cares about its people, and the union that understands the company's approach and the way it treats its people. And each side, with the best intentions, is doing its maximum and takes good care of this relationship. The company treats its people with respect, and the people in turn take the point of view of the company into their consideration – I think more than the cold and pedantic side of doing business, accounting, counting the figures of output and revenue, more important than the icy side of business, is mutual understanding, the relationship between people, communication, teamwork, leadership and the like, those are the values people are interested in.

Yes, I think if I consider all aspects, Kirin is a company where humanity is overflowing – it also has some disadvantages like being weak, being too kind, being swept away by personal feelings, even if it would be necessary to judge more strictly, giving in too quickly.

Question: Is this the special style only of Kirin? What about other companies in the beer business?

Mr. S.: In Japan we have Sapporo, Asahi and, well, let's also consider Suntory. It is said that amongst these only Sapporo has a culture which is similar to that of Kirin. I think all our employees are of this opinion. But Asahi is quite different.

Question: Different in which respect?

Mr. S.: The main difference is, I think you probably know, Asahi had very hard times, dark clouds were hanging over the company, and there have been times when nobody would have been taken

by surprise if Asahi had collapsed and dropped out of business all together. At that time, they laid off many people, and the climate in the company became very bad and tense, not only the relationship between employer and employees but also among the employees themselves.

Then they released "Asahi Super Dry", and with this label their star began to rise again continuously. But if one asks what their style is, I would say, they are very competitive, straight, and have a very aggressive culture. They have a challenger spirit and are very tough. As far as their people are concerned, well how can I explain, yes, "dry" (Mr. S. used the English word), they seem to have a very "dry" way of thinking, well, in fact, just as their beer, very "dry". Of course I don't have any direct information, but judging by their policy and what is written in the newspapers, it seems to be a very "dry" company.

For instance, if we consider female employees, well, Asahi employs considerably more women than Kirin, but if we look at the number of women who have permanent jobs *(teishokuritsu),* Kirin is on top. To hire many, and to fire them again, is the reality at Asahi, in this respect Kirin has a quite different way of thinking ...

Question: Kirin belongs in a way to the Mitsubishi group, or at least the links between the two companies are very close. Has this any influence on the way of doing business, on your corporate culture, and on your people?

Mr. S.: Yes, I think so. As you know, Mitsubishi is one of Japan's oldest and largest companies, and together with Mitsui, well Mitsui is much older, but together with Mitsui, and some other companies, before the war they were called Zaibatsu, they built up Japan. Yes, I think it is not wrong to say, these companies shaped Japan, changed Japan from a feudal into an industrialized country. And again after the war, these companies rebuilt Japan and turned it into the modern country which it is now.

Question: Is it pride?

Mr. S.: Yes we are proud of what we have accomplished, but I think these very old companies, especially in the steel, the shipping, and mining industries, I mean also the companies that developed

out of the heavy industry, for example some car manufacturers, they have a certain, a very special style; well, have you ever heard of "gentleman style business" (Mr. S. again used the English words)? Yes, we call it "gentleman style", also in Japanese ...

Question: What do you mean, could you please explain this in more detail?

Mr. S.: It is how you treat people, how you perceive your business. Business is not to sell as much as you can and to become rich. You have to be driven by an ideal, that you want to accomplish something. I mean, at Kirin, this ideal is shared by all of us, we want that everybody can lead a better life, a more comfortable life, enjoy life ...

Question: Well, I've heard that at other companies too, but concerning the "gentleman style"?

Mr. S.: Yes, it is what all of these old companies have, respect for people, trust in people, the wish to help them develop themselves to their maximum, honesty, earnestness, responsibility, and devotion to society. I think, this is "gentleman style" ...

Although a clear formal hierarchy with many titles, a strict differentiation between people who joined the company earlier *(senpai)* and people who joined later *(kōhai),* and the separation between jobs for men and jobs for women, might give the impression of a company we would perceive as 'typically Japanese', Kirin is distinctively different and special in many respects. Kirin is an institution rather than a company in Japan. The awareness of employer and employee relations (which were more important and explosive before the war than they are now), indicates that the company has its origins in the early years of Japanese industrialization. Influenced by the mother company Mitsubishi, and experiencing more than 125 years of eventful history, Kirin developed a business style that can be characterized as calm and liberal. Kirin cares about its employees, but it also acknowledges that different people have different goals and interests, even if they work for the same company. This special style, the long tradition, the pride of what has been achieved, and the kind of self esteem, sometimes relaxed superiority, but not arrogance, also shows when talking to people who work for Kirin.

C.) Kyōcera – "Business as a Kind of Religion"

The youngest of the three companies introduced here is Kyōcera, which was founded in Kyōto in 1959. The name Kyōcera actually is the acronym for Kyōto Ceramic Company. The history of Kyōcera, an unbelievable success story, is inseparably linked to the name of Inamori Kazuo, its founder. Because of his philosophical approach to business, and his personal life course, Inamori occupies a position amongst Japanese entrepreneurs which can only be compared to men like Matsushita Kōnosuke or Honda Shōichirō. And in a very similar way to Matsushita, who once said that his company is a place where people are educated, and only accidentally it also produces electrical appliances, Inamori also sees philosophy being of more importance than business.

Inamori Kazuo was born in 1932 in Kagoshima, Kyūshū, as second son of a rather poor family. Although his parents expected him to work, and to contribute to the family income, Inamori wanted to continue to go to school beyond compulsory education. After he failed to pass the entrance examinations for schools with a good reputation, he had to enter a fairly mediocre high school. After graduating from high school he studied for university entrance exams, again against the will of his parents, and again he failed. It took him three attempts until he was finally admitted to the engineering department of an university in his home province. After graduating from university, Inamori tried to join Nippon Oil, a company of high social prestige but again other candidates were preferred. With the help of one of his professors from the university, he got a job with a small company in Kyōtō, where he started his career in the department of porcelain for industrial use. In the beginning he was disappointed with his work, and often considered quitting, but he endured all hardships, and was finally put in charge of the company's only profitable department. This, however, provoked the animosity of his superiors, and he had to resign because no one in the company wanted to support him and his vision of ceramic products. Together with eight loyal co-workers, and a capital of only 3 million Yen, he founded Kyōcera in 1959. From the first year on the company was profitable and grew rapidly. In 1960 an office in Tōkyō was opened, and 1968 the company established a subsidiary in the USA. In 1959 Kyōcera had 28 employees, in 1995 it had about 13,000 in Japan, and another 13,000 in the rest of the world. During the same time sales

increased up from 26 million to 350 billion Yen, and profits grew from 1.8 million to 54 billion Yen.

Today Kyōcera is one of Japan's leading high-tech companies in the fields of semiconductors, telecommunication equipment, fine ceramics, and optical instruments.

Mr. T., head of the department for company philosophy (!), explained Kyōcera in more detail[8]:

Question: I've heard that Kyōcera has a very strange, or very unusual corporate culture.

Mr. T.: Maybe if you look from outside, but to be honest, when I joined Kyōcera, I also thought, what a strange company this is, but now ... Before I came to Kyōcera I worked for Sony for several years, and things were very different there. Actually, the first couple of weeks I thought that I can't stand it, and that it would be better for me to leave. But this was because I didn't understand the company, the way of thinking, and the philosophy. Now I can't imagine working for another company.

Question: You said, "philosophy", what do you mean by philosophy at Kyōcera?

Mr. T.: Well that can't be explained in a few words. To fully understand it, one has to work here for years. The basic idea is that we are all a big family at Kyōcera, yes it is a big family ideology *(daikazoku shugi)*.

All employees of Kyōcera have this small book here, we always have it with us, and we ought to read and refer to it every day. Unfortunately I can't give you this book, because it is only for Kyōcera employees, and it might be misleading if read by outsiders who don't know the real meaning.

Question: What do you mean, misleading? Why?

Mr. T.: Well the statements are too short, too pregnant with meaning. If you don't work here, if you don't know Kyōcera from the inside, you won't understand them, they would be misleading. To get an idea, you should read the works of Inamori Kazuo, the company founder, first.

8 Interview, September 26, 1995 (recorded on tape).

Question: I understand, but can you give me some basic ideas about the philosophy of Kyōcera?

Mr. T.: Well let's start with our company slogan, 'Respect the Divine and Love People' by Saigō Takamori.

Question: I've seen the slogan at the entrance...

Mr. T.: Yes, that's right. You know Saigō Takamori was a military leader from the Satsuma fief [today Kagoshima prefecture] in the late Tokugawa era, and he was very important during the Meiji Restoration. We have chosen these words of his as our slogan.

Then our business ideal, which states that all employees, while seeking both material and spiritual happiness, have to make their contribution to the progress and development of human nature and society. How can we achieve this? Well firstly, by providing the customer with sophisticated products which are filled with our warmhearted feelings. And secondly, I think that is very special, that we do our work like a big family on the basis of mutual trust and sincerity, that we have feelings of gratitude and respect for each other.

Well and then we have the thoughts of our president.

Question: The thoughts of your president Inamori, are they also the basis of your employee education?

Mr. T.: Yes, they are the basis of our in-house education by which we develop the personalities of our employees ... I think this [the philosophy of president Inamori] is not management philosophy, it is rather a philosophy concerning human nature. How do humans have to live in order to enjoy a life of happiness and wealth, or how can we contribute to other peoples' lives, to society? Each single thought gives you guidance for your acting.

In former times, companies didn't have this kind thinking, they didn't have a religious approach, they weren't religious sects. But today it's been said that if a company doesn't have a philosophy it won't prosper...

I think because we spread this thinking, and everybody acts accordingly, we are strong, no doubt about it.

Question: I've heard that companies in the high-tech business in Japan are very strictly organized, that the relationship between superiors

and subordinates is like in the army because of the fierce competition.

Mr. T.: That might be true for other companies, but in the case of Kyōcera it is a misunderstanding. Kyōcera is not organized like an army. At least the first ten years Kyōcera had more or less a monopoly in fine ceramic products. There haven't been any competitors. It is a misunderstanding, we never reacted upon any competition. It is because we received an order from a customer, and we wanted to satisfy the customer under all circumstances, even though we sometimes didn't know if it would be possible to produce what we were asked for. So pressure came from within. So, seen from the outside, we worked very long hours, didn't take any vacations, worked till late at night, sometimes even didn't go home to sleep; there were times like that but it wasn't forced upon us. We wanted to succeed, we wanted to create new ceramic products with our hands, we had dreams, and didn't want to annoy our customers, who trusted us. And today we still all share this dream, but seen from the outside, it might seem that life at Kyōcera is very hard ...

Question: And seen with the eyes of an employee?

Mr. T.: We are a big family, each employee is a member of this family, also emotionally. Of course it was easier to maintain this idea when the company was still small, but we continued in this spirit.

If one enters a large company, most of the people have a passive attitude, they expect that work will be assigned to them. But not at Kyōcera. We have so many different business fields, you just raise your hand, and you are in charge of a new project. Therefore we also don't have section chiefs *(kachō),* or directors *(buchō),* we only have persons responsible for a project *(sekininsha).* Work is not assigned to you, because if you want to do it, you do it. And because you love your work, you forget the time, you don't go back home, you give your maximum and you never have a passive attitude. It is important to love your work, but if you love it, you are able to achieve whatever you want. This is the policy here at Kyōcera ...

Question: What is necessary for a person who carries responsibility for a project, I mean what kind of personality does he have to have?

Mr. T.: Well, even if it might sound strange, he must be willing to sacrifice himself for the project, and for the people who are involved in it. It is strange, he gets no promotion, no additional money, the only thing he gets is much more work, and the responsibility for it. Yes, it is the will to sacrifice yourself for the others. It might be difficult for outsiders to understand this thinking, but ...

Question: How do you make sure that your people have this attitude, that they understand this thinking?

Mr. T.: When Kyōcera was a small company we chose the people who shared this thinking. Now we are too large, therefore we have to educate our people, first of all the freshmen.

Question: I've heard that a part of the freshmen education of Kyōcera is done at a Zen temple. Is that right?

Mr. T.: Actually, well, yes, it is right. But the purpose is not to make the freshmen suffer or to hurt them. The main purpose is, to give them the opportunity to experience a entirely different world, and make them thinking about themselves ... Like life in a Buddhist temple, life in a company is a world they are not used to, and we think that they can adapt more smoothly to their new life, if we send them to a temple. To instruct them in Zazen meditation, in Buddhist thinking, or to make them suffer is not what we are aiming at ... One more purpose is, well, Buddhist teachings are about the hearts of humans, and we at Kyōcera also instruct our people to care about and to develop their hearts.

Question: Is this education only aiming at the freshmen or do you also have programs for other employees?

Mr. T.: We also educate managers advancing to high management positions at a Buddhist temple for some days but the purpose of their education is different. The aim is to form future Kyōcera leaders, who are not self-centered, but sacrifice themselves for other people, and only think about, how to use their abilities for the benefit of the people around them. This is, what they should learn from the Buddhist teachings.

Question: How do the freshmen react, how do they perceive the education at the Buddhist temple?

Mr. T.: Well, their reactions are mixed. Many realize the purpose of this education, to think about oneself, and to prepare oneself for the life at Kyōcera. But some are quite dissatisfied. Well, whatever one might say, to practice Zazen meditation hurts, and you have to endure the pain. But this is not very different from life in a company. You also have to be patient, to do work you don't like to do, to endure hardship and so on.

Question: Does the attitude of these people change after some time with Kyōcera?

Mr. T.: Yes, I think so. After they stayed with the company for some time , they begin to realize what the education was all about and they change their attitude.

Question: What about your employees in branch offices abroad. Do you also educate them in this spirit?

Mr. T.: No, that's not possible, they wouldn't understand this thinking. We try to make the top managers of the branch offices familiar with this thinking, but we don't educate them.
But, I think our Japanese employees enjoy a happier and richer life. From the figures we know they are by far more productive.

Kyōcera and its philosophy of the company as a large family, and hard work being the main purpose of life, is one example of Japanese company that sees its task not only in selling services or products, and providing people with work, but in giving meaning to the whole life of their employees and their families.

One interesting aspect of these companies is that most of them were established between the 1950's and late 1970's, like for instance Yaohan, a supermarket chain in the Shizuoka area (now mainly investing in China), or Fanuc, a worldwide leading company in mechanical engineering and industrial robots, with its headquaters located at Mount Fuji in Yamanashi prefecture.

These companies, which indeed often more resemble secret societies or religious sects than commercial firms, are also critically discussed in Japan, sometimes even by their own employees.

One will have to see what happens to these companies and their culture once their founders retire. At the moment, Kyōcera is in just such a

period of transformation, as Inamori Kazuo is about to make way for the second generation of leaders at Kyōcera.

3. Outlook

These three examples, Dentsū, Kirin Beer, and Kyōcera, showed that the Japanese cultural environment is not the sole factor determining the way businesses' (and other) organizations are to be structured, how they have to operate, and in which way they educate, lead, and develop their employees. Besides the national culture there are many other factors and maybe much more important ones, that have to be taken into consideration. There are the history of a company, the industry it is active in, the business environment, the company founders and their thinking, the employees, and also very down-to-earth considerations, like how to be successful. All these aspects are as diverse in Japan as they are in any other country.

Now, what is the typical Japanese company? Is it Kirin Beer, Kyōcera, Dentsū or maybe none of them? Is it really that important for us to know what is typically Japanese in Japan's companies?

I think if we seek more direct contact with Japanese people, and learn more about their work, their companies, and the way they see themselves, we will begin to realize that there is nothing like 'The Japanese Corporation' or the 'Japanese Management Style', but a great number of different companies and many approaches towards management. And the more people we meet and talk to, the more we will see that Japan is also a pluralistic society, and therefore we also will begin to doubt whether it is really possible to draw a line between, for instance, Confucianism and corporate structure, or Zen Buddhism and the ability to deal with uncertain business developments.

Even if we do gain some insight on such a very abstract level, would this knowledge be of any help to us? No-one will ever have to deal and interact with abstract ideas like 'Japanese management' and the like. We only get in contact with Japanese individuals, and we will have to deal with them on a personal level and not on an abstract one.

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