

Answer on Question#38747 - Economics – Macroeconomics

Many people share an image of the Japanese work environment that is based on a "simultaneous recruiting of new graduates" and "lifetime-employment" model used by large companies as well as a reputation of long work-hours and strong devotion to one's company. This environment is said to reflect economic conditions beginning in the 1920s, when major corporations competing in the international marketplace began to accrue the same prestige that had traditionally been ascribed to the daimyo-retainer relationship of feudal Japan or government service in the Meiji Restoration. At the very top, the most prestigious companies would recruit and retain the best workers by offering better benefits and truly lifetime job security. By the 1960s, employment at a large prestigious company had become the goal of children of the new middle class, the pursuit of which required mobilization of family resources and great individual perseverance in order to achieve success in the fiercely competitive education system.

Employees are expected to work hard and demonstrate loyalty to the firm, in exchange for some degree of job security and benefits, such as housing subsidies, good insurance, the use of recreation facilities, and bonuses and pensions. Wages begin low, but seniority is rewarded, with promotions based on a combination of seniority and ability. Leadership is not based on assertiveness or quick decision making but on the ability to create consensus, taking into account the needs of subordinates. Surveys indicate continued preference for bosses who are demanding but show concern for workers' private lives over less-demanding bosses interested only in performance on the job. This system rewards behaviour demonstrating identification with the team effort, indicated by singing the company song, not taking all of one's vacation days, and sharing credit for accomplishments with the work group. Pride in one's work is expressed through competition with other parallel sections in the company and between one's company and other companies in similar lines of business. Thus, individuals are motivated to maintain wa (harmony) and participate in group activities, not only on the job but also in after-hours socializing (nomikai). The image of group loyalty, however, may be more a matter of ideology than practice, especially for people who do not make it to the top.