Japanese Companies in Germany: A Case Study in Cross-Cultural Management

JAMES R. LINCOLN, HAROLD R. KERBO,
and ELKE WITT'ENHAGEN*

From a series of qualitative interviews with Japanese managers and German managers and workers in thirty-one Japanese-owned companies in the Dusseldorf region of western Germany, this article discusses differences in cultural patterns and organizational styles between the German and Japanese employees and the problems these pose for communication, cooperation, and morale. First, we deal with cultural contrasts: language issues, interpersonal styles (personability and politeness), and norms regarding the taking of responsibility. Second, we examine the impact on cross-nationality relations of established organizational practice: for example, German specialism vs. Japanese generalism; direct and vertical vs. indirect and incremental decision making. We also discuss efforts by these firms to find compromise systems that would meet the needs and interests of both sides. The third focus is the reactions of Japanese companies in North Rhine-Westphalia to German unions, works councils, and codetermination regulations. In the labor view, Japanese firms overall do no better or worse than comparable German firms.

Japanese direct investment in Western economies is concentrated in North America and the United Kingdom. In consequence, a rich journalistic and scholarly literature examines the Japanese experience in the Anglo-American countries, the management styles and organization structures of the subsidiaries, and the relations between the Japanese management and the local workforce (see, e.g., Milkman, 1991; Lincoln, Olson, and Hanada, 1978; Pucik, Hanada, and Fifield, 1989; Florida and Kenney, 1992; Oliver and Wilkinson, 1990). There **is** far less writing,

particularly in English, on the activities of Japanese companies elsewhere in the West. Yet the Japanese corporate presence in continental Europe is already substantial and will almost certainly grow as the European Union and the GAlT erode regulatory and other national barriers to foreign investment and trade.

The topic of this paper is Japanese firms in Germany: primarily, the contrasts in culture and management style that German and Japanese employees of such firms encounter daily in their experiences on the job. Our observations come from a set of interviews conducted in 1992-93 with Japanese and German managers in the Diisseldorf area, the region of Germany with the highest concentration of Japanese business, and, after London, the leading center of Japanese corporate activity in Europe. Moreover, while our Diisseldorf informants no doubt have their biases, they expressed confidence that, owing to its central location in continental Western Europe and easy access to the East, Dusseldorf would someday overtake London as the premier locus of Japanese business activity in Europe.

Moreover, Germany-North Rhine-Westphalia, in particular-presents a valuable opportunity for research on such questions because of its substantial Japanese business activity. In 1990, Japan, at 5 billion DM, was second only to the United States and the Netherlands in direct investment in the region, this accounting for half the total Japanese investment. Germany was second only to the United Kingdom in the number of resident Japanese in Europe. Forty-five percent of the German-resident Japanese population lives in North Rhine-Westphalia, with almost 8,000 in Diisseldorf alone. A 1991 survey by the Japanese Chamber of Commerce in Diisseldorf found 75,000 Germans employed by 1,099 Japanese corporations in Germany, with more than 100 billion DM in profits in Germany. As a set, then, Japanese corporations have the same weight in the German economy as does Daimler-Benz.

Our information on Japanese-owned companies in Germany comes from a series of qualitative interviews with Japanese managers, German managers, works council members, and labor leaders in the Dusseldorf area. We surveyed thirty-one Japanese-owned firms in a diverse mix of industries. The interviews were open-ended: we posed a series of broad questions regarding the management and industrial relations and how they were viewed by both German and Japanese employees (see Kerbo, Wittenhagen, and Nakao, 1994a, 1994b). Additional interviews were conducted with all works council members in six of the companies. In all such interviews, we solicited impressions and details on the relations between Japanese company officials and their German employees. We asked the Germans to contrast their Japanese employer with German companies they had worked for in the past. In a number of firms, the Japanese managers we interviewed had experience in the United States and elsewhere in Europe. Finally, we interviewed labor union officials regarding union and works council activities among the Japanese companies of Dusseldorf.

The list of corporations from which we selected was provided by the ***Japanische Industrie-und Handelskammer*** *zu* ***Diisseldorf,*** which identified all the Japanese corporations and their top management personnel for the year 1992. The thirty-one companies included three financial services firms, seven large trading companies, one engineering firm, two heavy manufacturing firms doing marketing research in Germany, and eighteen other manufacturing corporations. Of the eighteen manufacturers, only seven had production facilities in Germany, the activities of the remainder being limited to sales, service, and R & D. We attempted in every organization to interview the highest level Japanese and German managers, either together or separately. However, in a relatively small number of firms, our contacts were exclusively from

one group or the other. The works council interviews were conducted exclusively with Germans and with no managers of either nationality present.

The article is broadly exploratory and somewhat normative in tone, not hypothesis testing in the conventional sense. Our concerns are with how sociocultural differences combine with organizational styles to complicate the working relationships between Japanese and German employees. Some contrasts in how the Japanese and Germans approach organizational life are deep-rooted in societal values and customs; others reflect the institutionalized practices of the Japanese or German firm. Both complicate cross-nationality relations in the workplace but the institutional contrasts are, in a sense, less fundamental and more amenable to adjustments that allow for common ground.

German economic organization, corporate structure, and management practice bear strong resemblance to patterns in Japan. Yet in other respects, the Germans and the Japanese seem poles apart. How these similarities and differences shape the relations between German and Japanese employees within the Japanese-owned company and, consequently, its success and viability are the subject of our inquiry.

Social and Cultural Barriers

The Japanese of Diisseldorf The Diisseldorf community of Japanese residents is the oldest in Europe. Its origins trace to the business ties which Japanese steel and trading companies forged with German heavy industry in the Ruhr region. The tight-knit Japanese Dusseldorf enclave, like that of Scarsdale, New York, and other Western residential concentrations of Japanese expatriate families, provides all the services, facilities, and social supports that Japanese managers and their

families require to maintain a Japanese life-style during a German tour of duty. Stores and restaurants offer Japanese foodstuffs, clothing, and home furnishings; enclave schools enable expatriate children to pursue a Japanese education undisrupted by an overseas stay; cultural activities (music, art, classes in flower arranging, tea ceremony) preserve Japanese cultural ambience and provide outlets for the interests of Japanese managers' wives; clubs, associations, and neighbors offer a supportive network of acquaintances and friends.

This self-contained expatriate society offers real benefits to the rotating Japanese managers in the North Rhine subsidiaries of Japanese firms. It permits assignment to the region with less shock to family life than the typical Japanese corporate transfer occasions. Yet the negatives are prominent as well. Insulated from real exposure to German society beyond their encounters in the firm, the average expatriate Japanese learns far less from his German tour of duty than he otherwise might, even though the benefits of a globalizing experience were probably a factor in the parent company's decision to dispatch him abroad in the first place.[1] Moreover, the size and isolation of the Dusseldorf enclave feed suspicions on the German side that the Japanese are by nature clannish and reclusive. By the same token and combined with the recent epidemic of antiforeigner sentiment in Germany, the lack of real exposure to German society and culture exacerbates Japanese anxieties over German racial prejudice, although the Diisseldorf Japanese have by and large escaped harassment by German right-wing groups.

The problem of English. Peculiar as it may seem that English is the language of the workplace among Japanese firms in Germany, the reasons are clear: (1) the same firms are involved in other

1. **Indeed, one of the criticisms often leveled at the Japanese practice of rotating expatriate staff through the foreign subsidiary is that, by exposing a large number of career managers to a relatively brief international experience, the overseas assignment benefits the *honsha* (parent) much more than the subsidiary.**

European countries and North America as well; (2) all university-educated Japanese have substantial English training albeit highly uneven practical proficiency; and (3) most German-based Japanese corporations have employees who are neither Japanese nor German. Indeed, several of our companies had citizens from more than a dozen nations working in Dusseldorf.

A sizable literature on Japanese firms in the Anglo-American economies comments on the communication obstacles and sometime tensions between the local hires and the Japanese expatriate team. Language figures importantly in the problem: the English spoken by the Japanese is often mediocre at best, and with rare exceptions the Western staff speak no Japanese at all. Such problems are aggravated in Germany and elsewhere in continental Europe by the fact that English **is** the native language of neither the local nor the expatriate staff. As one manager observed, “You think you have grasped what the other party was saying but often you have not.” Still, the Germans hold the linguistic edge: many enjoyed a relaxed facility with English that few Japanese shared (Lorenz, 1994b). Part of the reserve shown by the Japanese staff about which our German informants repeatedly complained seems traceable to this. To attempt awkward English ’and struggle with verbalizing one’s thoughts before a group of German and Japanese subordinates is humiliating to a proud Japanese manager: far less risky to sit in stony silence or confine conversation to other Japanese.

Despite the obvious problems of communication posed by the language barrier, it is only the tip of the iceberg. German-Japanese contrasts in societal as well as organizational culture likewise present troublesome if interesting obstacles to information flow and understanding. Such obstacles are more severe in Germany than in the Anglo-American countries simply because Japanese investments there are narrower in scope and more recent in time. Moreover,

German-language journalistic and scholarly commentary on Japan and Japanese business is to date far less rich than the extant English-language literature.

Politeness as a cultural norm. An amusing but still consequential contrast in German and Japanese cultural patterns turns on the issue of politeness. The Japanese are famous for taking politeness to extremes: the ritual gestures of deference and humility (bowing); the verb endings and forms of address that vary with the status of the parties and the formality of the occasion; the frequent insertion in normal speech of apologetic expressions (e.g., ***surnimasen).***[2] Moreover, a distinct offshoot of the Japanese politeness syndrome that time and again confuses ***gaijin*** (foreigners) is a reluctance to say no with clarity, finality, and firmness. The title of Akio Morita and Shintaro Ishihara's (1989) provocative **book*, NO to ieru Nihon*** (The Japan that Can Say NO), addresses this tendency. Ironically, the Japanese avoidance of refusal is tied to behavior that Westerners find disingenuous if not downright rude: a propensity to ignore rather than acknowledge queries or requests to which the Japanese party prefers not to accede. This sort of communication problem is widely attributed to the vagueness of the Japanese language and to a Japanese disdain for blunt, contractual commitments. [3] But its roots also lie with the Japanese aversion to conflict, particularly of a confrontational, face-to-face sort.[4]

Germans, in marked contrast, suffer a reputation for being curt, blunt, arrogant, if not, at times, flat-out rude.[5] Germans with whom we spoke acknowledged a shortage of civility within their ranks, particularly evident in the aloof at best, at worst irritable and surly demeanor of retail clerks, service workers, and petty bureaucrats. "Service with a scowl," as the ***Wall Street***

2. The ultimate in polite forms is *keigo,* a flowery style in which fewer and fewer young Japanese are competent. Recently companies have taken it on themselves to school their employees in this form, since it still finds occasional use in formal business rituals.

Journal recently labeled it (Nelson, 1994), does at times appear to be the German norm. Of course, some of the rough treatment meted out by lower-level German service workers no doubt stems from a social democratic aversion to the sort of groveling by service people that is still rife in Japan.

Yet there is a common thread in German brusqueness and Japanese politeness: distaste for easy informality early in a relationship. Germans and Japanese are similarly averse to the use of given names with all but intimates, and both are critical of Americans for their glib informality and superficial friendliness.

Both cultures, moreover, value deep and lasting relationships in business and politics but are resistant to forming them with outsiders. The Japanese have a reputation for being hard to get to know.[6] Reasons abound: the scarcity of leisure time; the separation of men's and women's lives; the inadequacy of Japanese homes for entertaining; the separation a collectivist society imposes on in- and out-group members. The standoffishness of the Japanese was troubling to the Germans in our study. They saw it as a barrier to genial workplace relations and strong identification with the Japanese-owned firm. German managers claimed repeated efforts to socialize with the Japanese staff there were invitations to dinner, sports exhibitions, and other

3. Indeed, the need for greater transparency *(romei)* in Japanese business and diplomatic relationships is much discussed in Japan these days (Ozawa, 1994). Part of the reason for former Prime Minister Morihiro Hosokawa's extraordinary popularity as a reformist politician was his plain speech that broke with Japanese tradition and set him apart from run of the mill Japanese politicians.

4. Contrast, for example, the mumbled, tedious, and ritualistic televised speeches and debates of the Japanese Diet with the sardonic eloquence and sharp personal attacks that are routine fare at the British House of Commons.

5. Some claim variations by region or land. A colleague from North Rhine-Westphalia suggested that Hessians (residents of the German state of Hessen) were much more brusque and blunt than was typical of her area.

6. Perhaps in particular the resident gaijin community in Japan whose complaints on this score daily fill the letters-to-the-editor page of The Japan Times.

events. Yet the same distant attitude prevailed in the office the following day.[7] Even during after-hours drinking outings the barriers remained. One German manager observed that there would be "Japanese" business from which the Germans were excluded and "other" business in which they might get involved.

Long-term Japanese residents, however, claimed that in their experience it was the Germans who were unfriendly and reclusive. Certainly the Japanese were every bit as bothered by German brusqueness as were the Germans by Japanese aloofness. There were numerous statements to the effect that: "Germans are too argumentative"; "Germans are too blunt"; and "Germans will not accept blame for problems." One Japanese manager did, however, opine that, while these differences in presentation of self made communication awkward and stressful, cross-nationality conflict was not the outcome of note. "Oh no," he said in response to our question, "almost all the conflict is among the Germans themselves; they are often so rude to each other."

The peculiar Japanese charge that "Germans will not accept blame" warrants special comment. Ritual atonement is an institutionalized conflict resolution device in Japanese society. The Japanese expect and admire the forthright assumption of guilt, prompt and public ***mea culpas,*** and profuse apology even in situations where Westerners find it unnecessary or inappropriate. A key role obligation of higher-level managers in the Japanese firm is the reflexive acceptance of symbolic responsibility for the failures of their divisions or the errors of subordinates whether the manager's own actions were in any way implicated or not ***(Wall Street Journal,*** **4** April **1989).** It is in contrast rather European (ergo North American) to be direct, forceful, and "principled."[8] The characteristically Western impulse to defend oneself and shift

the blame to others or cir cumstances strikes the Japanese as an egregious abdication of management respnsibility.[9]

Does the politeness mask arrogance? In the late 1980s, a sticking point in cross-cultural relations in the North American Japanese subsidiary was the apparent arrogance of the Japanese management team. Convinced of the supremacy of Japanese methods and the caliber of Japanese personnel, they often bore a superior-to-thou air (Pucik, Hanada, and Fifield, 1989). Such snobbery fueled the reluctance of Japanese rotating managers to share responsibility with local staff and involve them in decisions. Asked whether condescension of this sort distinguished the way in which Japanese managers in Dusseldorf viewed their German compatriots, one German informant commented that "he hadn't seen much of that recently." The burst of the "bubble" economy, he said, had demolished the myth of Japanese invincibility. More generally, the postwar strength of the German economy, the quality of German goods, and the skills and diligence of German labor command a degree of respect from the Japanese that the United States, Canada, and Britain in recent years have not. Japanese management gives American executives high marks for commitment, effort, and intelligence. A number of our Japanese informants had logged time in the United States, and, in their view, German and American peak management teams differ little in these respects. But farther down the organization-at labor,

7. This view may, however, reflect a misunderstanding of the function of after-hours social events in Japanese corporate culture. Rather than a mechanism for fostering warm feelings among workmates the next day, their value is that they provide a limited venue for relaxed, uninhibited conversation and joking until the inevitable return to the heavy decorum of the daytime Japanese workplace.

8. The American icon of a rugged individualist standing tall for his or her beliefs in the face of daunting pressures to conform wins few Japanese admirers. Contrast item #5 in the business philosophy of Konsuke Matsushita, the founder and corporate hero of that strongest of strong culture Japanese companies, Matsutshita Electric: "Meet what others expect of you! You should discern who expects what of us and try to meet his expectations. Never cling stubbornly to your stand only!" (Pascale and Athos, 1981).

9. Of course, in Japanese society the personal risk associated with acceptance of **blame is lower than in the United States or Europe where punitive action by the corporation or even civil and criminal litigation may be the response to an expansive gesture of this kind. By the same token, failure by a Japanese manager to take symbolic responsibility is met with strong opprobrium from the tight-knit business community.**

clerical, and lower management levels-the Germans were held in greater esteem.

For historical and cultural reasons, there may also be a latent empathy between the Germans and the Japanese. Both countries were on the losing side of World War II and, with massive U.S. assistance, staged miraculous postwar recoveries. Arguably common to both cultures, moreover, is respect for authority and orderliness and a sometime sense of racial/ethnic superiority. Finally, in the post-Cold War era, there may be among some Japanese and Germans a sentiment that, as the world's second and third largest market economies, their countries should ally in offsetting the economic and diplomatic/military hegemony of the United States. This, one manager reported, was the view of his company's Japanese president, a World War I1 veteran and avid student of German law and language.

Cosmopolitanism at the top: Are Germans better global managers? If arrogance on the part of Japanese managers was less a problem in the North Rhine area than it has recently seemed in North America, that of the local hires-German managers and professionals-may be more so. The German director of personnel in the subsidiary of a major Japanese trading company ***(sogo shosha)*** commented that Japanese top management in the German branches of Japanese firms had done previous overseas tours, spoke fluent English, and were truly global managers. But the second-line Japanese generally had little or no foreign experience, and their facility with English and general sophistication in things Western were low. Yet their expatriate assignments placed them above the more experienced and worldly Germans. This caused the latter, he said, to become haughty and difficult, for they felt superior to the Japanese and resented their lower standing in the organization. With their multilingual skills and rich backgrounds from working and living in diverse countries, senior German and other continental European managers pride themselves on a cosmopolitanism not shared by the provincial Japanese (or North Americans and

British for that matter; see Bartlett and Ghoshal, 1989; Lorenz, 1994b). Another German manager in our study agreed that European executives do have better global management skills than do their counterparts elsewhere, something the Japanese sensed, he said, and found intimidating.

Organization and Management Style

The autonomy of the German branch. Branches of Japanese companies operating in Germany have less autonomy than in North America. Most are unincorporated under German law and have yet to acquire experience in the country sufficient to warrant parent-firm confidence in the local management team. Moreover, German branches of Japanese companies are typically distributors and offices-not large-scale manufacturing works-hence their activities bind them closely to the Japanese parent (Japan External Trade Organization, 1993).[10] This is a sensitive issue, for the Japanese are often criticized for heavy-handed control of foreign operations from offices in Tokyo or Osaka. The general manager of the subsidiary of a major Tokyo-headquartered electronics firm in Diisseldorf, acknowledging the limits on the freedom of his office to make its own decisions, went on defensively and rather at odds with the conventional wisdom to claim that IBM Japan was every bit as tethered to IBM's Armonk, New York, offices (Bartlett and Ghoshal, 1989). ***So*** it was unfair, he felt, to single out the Japanese for criticism on this score.

Given the Japanese reluctance to make flat refusals, there is also some likelihood that Japanese managers will evoke the excuse of "needing to hear from the head office" in order to

10. Over *60* percent of the more than 1,000 Japanese companies in Germany are involved in sales and service: only 10 percent do any manufacturing.

put off a decision in hopes that the problem will go away or that the local staff will tire of pressing the issue. How much autonomy the Japanese overseas subsidiary enjoys is, of course, tied to the issue of local employee access to higher management positions and decision-making circles. The Dusseldorf office of the Japan External Trade Organization (JETRO) indicated that Germans have important postings in Japanese companies, perhaps more so than elsewhere in the Western world, because of the high esteem in which the Japanese hold the skill and dedication of German managers and the competitiveness of the German economy as a whole. However, a 1992 publication by the Japanese Chamber of Commerce in Dusseldorf reports only ***one*** company with a German in the top executive position of the German unit (Japanische Industrie-, 1992; see Yoshihara, 1989, p. 27). The low incidence of German executives may be attributable in part to the comparatively late arrival of most of the Japanese companies in Germany. Several Japanese informants commented that the number of Germans in high-level positions would grow over time.

The problem of a "glass ceiling" on the upward mobility of Germans in the Japanese-owned firm was cited, not just by middle managers, but also by German workers. The morale of German middle managers was low, they said, because promotion chances were so limited. For this reason, a number of such managers were seeking jobs elsewhere. The problems of morale and turnover among the German middle managers were sufficiently severe that some works council members said that they would rather have Japanese middle managers.

Conflicting decision-making styles. Though the stereotypes of German decision making as top-down, "command and control" and that of the Japanese as bottom-up, consensus-based are not

wholly apt, some differences along these lines occur (Kieser, 1990; Lincoln and Kalleberg, 1990). Moreover, they caused some tensions within the firms we studied in Dusseldorf.

German complaints about Japanese decision making have a familiar ring to observers of Japanese companies abroad: “We can’t get a straight answer from the Japanese”; “the Japanese often give **us** vague responses that could mean ‘yes’ or ‘no’ ”; “it takes much too long to get a reply to any questions put to the Japanese”; “we are often told that we must wait on the Tokyo office for an answer”; and “the Japanese are seldom around to answer our questions.”

The Japanese taste for lengthy face-to-face discussion and painstaking consensus-building figures centrally here. Such practices not only have the sometimes intended, sometimes inadvertent effect of excluding outsiders, they take time, so that the German staff wait in limbo for decisions to be made and goals set by their Japanese superiors. Learning the not-so- German virtue (as one German manager characterized it) of ***patience*** was deemed absolutely imperative for success in a Japanese-owned company. Not only did it take longer to make decisions within the subsidiary, but the need to check with the parent company on many matters of substance caused further delay.

To hard-driving Western managers, the failure to make quick decisions bespeaks weakness or hesitation-ergo a failure of leadership. Moreover, because of tight coupling to the parent firm, the Japanese tendency to build slowly toward consensus is accentuated in the overseas subsidiary. To a far greater degree than is typical of the regional division of a Western multinational, managers of the foreign branch of a Japanese company are constrained by close corporate scrutiny and central headquarters controls.

Yet the German managers we interviewed acknowledged as well the upside of slow and incremental Japanese decision making: once a decision was finally in place, it was executed with

speed and precision. The German (or American or British) manager who delegated the sole authority to make a top-down decision without much input from others thereafter faces the problem of getting colleagues and subordinates on board and informed-no easy task with some people dragging their feet in irritation at how the decision was made in the first place.

Such contrasts in decison-making style most likely lead to serious tension and conflict in the relatively uncommon circumstance of an archetypal Japanese manager finding himself working closely with an equally archetypal German. The small and new subsidiary of a large, conservative Japanese company was such a case. The Japanese manager was nearing the mandatory retirement age for this company. Most of his career had been spent in Japan. He was a quiet, pleasant fellow, given to the usual Japanese graces of humility and politeness. His English was awkward and hesitant. Half the office staff was Japanese; the remainder was German. With a sigh, he confided that a recent local hire-a fifty-year old German sales manager-was the bane of his life. He described this fellow as impatient, aggressive, and a loner; he was bent on controlling his turf and doing things his way. The German manager refused to ***nemawashi*** (networkkonsult) with colleagues and ignored appeals that he lay out his ideas for others' scrutiny and input. Because of the disruptive and confrontational style of the German colleague, the Japanese general manager dreaded the monthly meetings of the management staff and spoke wistfully of his impending retirement.

German specialism vs. Japanese generalism. As a prodigious literature testifies, Japanese companies, though tightly structured in their own way, lack many stock features of Western formal organization (see, e.g., Clark, 1979; Lincoln and Kalleberg, 1990). Employees are hired as generalists, not specialists,[11] and the jobs through which they migrate have shifting boundaries

11. Apart from the broad distinction between technical and administrative staff, new recruits typically accept a job offer having little information on how the company will utilize their services.

and sparse descriptions. Aside from the precise control of manufacturing tasks typical of the Japanese shop floor, rules and procedures, while numerous, are characteristically vague, exhortatory, and stress the virtues of compliance over the penalties for violation (Dore, 1973). The formal human resource systems that do prevail in the Japanese firm-and there are elaborate systems governing personnel appraisal, compensation, and advancement (Endo, 1994)-do not travel well. One reason is the reluctance of Japanese managers to conduct direct appraisals of foreign employees, denying the local staff clear signals of the company's expectations for performance and reward (Pucik, Hanada, and Fifield, 1989). Language and cultural barriers to easy communication plus a high potential for tension and conflict render such appraisals unappealing to the average expatriate Japanese manager. Moreover, Japanese-style appraisal is not used on foreign employees in part because its fixation with commitment, diligence, and skill formation better assesses long-term potential than recent performance (Endo, 1994). Owing to higher turnover rates than in Japan, the Japanese company abroad tends not to view local hires as permanent members (Lifson and Takagi, 1981).

German employees not only share this Western proclivity to define responsibilities and commitment to the firm in terms of specialized, circumscribed roles; as Japanese managers see it they take it to extremes. The problem was particularly conspicuous among the technical staff and skilled tradesmen. The strong German artisan tradition was perceived in quite mixed terms by North Rhine Japanese managers. On the one hand, their companies prized German labor skills and technical efficiency. Yet they also reported frustration with the intransigence of German craftsmen and technicians in refusing duties not encompassed by their job description or formal competency. The Germans' stubbornness in doing things their way and "leave-it-to-the-experts" snobbery drew much negative comment.

Status hierarchies. One of the distinctive formal structures of the Japanese firm is the standard ranking system that precisely situates employees in a vertical status hierarchy (Clark, 1979; Dore, 1973; Lincoln and Kalleberg, 1990). Whether the organizational unit is a firm, government bureau, or educational institution, the titles stay remarkably the same (e.g., ***bucho:*** department head; *jicho:* assistant department head; *kacho:* section head; *kakaricho:* assistant section head, etc.). Like military or civil service ranks, they pinpoint status with extreme precision but only loosely tap role or function, and inside and outside the workplace are used in preference to personal names as terms of address. The familiar Japanese ritual of exchanging *meishi* (business cards) at the outset of a meeting serves to fix the ranks of the parties, reducing uncertainty as to the appropriate level of politeness or degree of deference.

Germans, too, have a fondness for titles, but German ranks are fewer, are less well defined, and (as in the U.S.) vary capriciously from one organization to the next (Maurice, Sorge, and Warner, 1980). A frustrated Japanese manager remarked, “In Germany you can’t tell who is in charge, or who is senior in rank and has responsibility. You spend a lot of time with a particular person only to find your time has been wasted because this person has no authority to do anything.” Another Japanese executive complained that “the Germans need more titles below the top: you can’t tell their positions from their business cards!” One Japanese manager did allow, however, that the relative absence of detailed and consistent rankings in German management culture might promote a sense of responsibility and willingness to take initiative.

While a Japanese manager’s rank communicates his status and assures him the automatic deference of lower-standing colleagues, the tangible perquisites of management standing-high pay, private offices, stock options-are less extravagant in the Japanese firm, a fact not eluding the German managers we surveyed. The German head of personnel in the subsidiary of a major

Japanese trading company did not seem to mind that he enjoyed fewer such perks than he surely would have at a comparable German firm. The trade-off, owing to the centrality and power of the personnel function within the Japanese firm (enhanced in his case by the need to deal effectively with German workers and work rules), was that his clout and standing *within* the organization were greater.[12] He was the only German on the company's board of directors and the only one reporting directly to the president.

The personnel manager in a Japanese company typically enjoys more responsibility and status than does his counterpart in an American firm. Not only does the personnel office command direct authority over recruitment, promotion, compensation, training, and other activities mostly under the control of U.S. line management, but the premium Japanese corporate culture places on providing jobs and caring for employees also elevates the status of the personnel department and its management. Yet the Japanese human resource function is spared many of the burdens that daily occupy the German personnel manager. One German holding this position in a Japanese corporation observed that, unlike Japan, in Germany continuous and complex employee negotiations were mandatory on almost every issue. Because of Germany's strong unions and elaborate codetermination laws, German workers have more workplace rights and power than do workers in other industrial countries.

A problem that Japanese companies in North America and the United Kingdom routinely cite in their dealings with local management hires is the high mobility and low corporate loyalty typical of managerial careers in these countries. Due in part to a fluid market for their services,

12. Largely because of the responsibilities and authority the codetermination laws confer on German personnel managers, their status and power within the corporation are generally greater than for their American counterparts (who typically rank last among management functions), but still relatively low (see, e.g., Streeck, 1984).

Anglo- American managers stay on the move, switching jobs and companies at short notice to advance their careers. The long-term ties and confidence demanded by full participation in a Japanese corporation are difficult to achieve with these people, and, indeed, Japanese managers commonly justify on these grounds their reluctance to shift control and responsibility to them.

In this respect, our Japanese informants saw the Germans as closer to themselves and easier to deal with as they were far less prone to change employers than the British or Americans. As reported by the *Financial Times,* a recent study by Alfred Kieser of the University of Mannheim and Rosemary Stewart of Oxford University found that "of the 30 British middle managers in the study, 13 had held their current job for less than two years (compared with only three in Germany), and another 12 (seven in Germany) for less than four" (Lorenz, 1994a). Yet while the Japanese are well known for loyalty to one company, *within* the organization they are in perpetual motion: changing jobs, departments, and locations as the company requires. This practice builds cross-functional skills and cooperation, facilitating the flexible allocation of labor that a permanent employment system demands. The Germans are likewise less mobile across employers than Americans or British, but, consistent with the principle of devotion to a specialized craft or competency, they stay put in one function. Kieser and Templeton report that

> "many of the Britons had also moved between unrelated departments or functional areas. In contrast, all but one of the Germans had stayed in the same functional area. Twenty of them had occupied their current positions for five years or more compared with only five **of** the Britons."

(Lorenz, 1994a)

Oversocialization in a Japanese business culture. **A** safe generalization regarding Japanese overseas subsidiaries is that the longer in place, the greater the independence from the parent and the greater the influence of the local staff (Cole and Deskins, 1988; Lincoln, Olson, and Hanada, 1978). **A** well-managed foreign subsidiary is a hybrid: it melds disparate business cultures and organizational styles into a seamless whole. Yet for Japanese companies with the longest tenures abroad, a curious phenomenon occurs (Lifson and Takagi, 1981). Through selection and socialization, the company assembles a core of veteran local employees who make their peace with a traditional Japanese management regime and resign themselves to relatively unchallenging roles within it. With a shift in corporate policy to some decoupling of the foreign branch, more reliance on locals, and an aggressive, entrepreneurial culture, this old guard puts up resistance.

Moreover, with the addition of younger cohorts of aggressive, ambitious local hires unsteeped in the traditional culture, problems of inequity arise. The company wants to reward the newcomers at a level appropriate to their skill and drive, but it fears the morale problems of a two-tiered reward structure. This pattern seems particularly a problem for the Japanese Trading Companies **(sogo *shosha),*** which typically have conservative Japanese business cultures and long histories abroad but whose Japan-based trade is fast diminishing. They are under pressure to position themselves as flexible purveyors of a wide spectrum of business services. Moreover, the parent in Japan is remaking itself as a more agile and global competitor, a shift best represented by the appointment of the highly westernized and cosmopolitan Minoru “Ben” Makihara to the Presidency of Mitsubishi Corporation, the trading company and flagship corporation of the Mitsubishi group. These changes in corporate strategy and culture have meant more responsibility and greater opportunity for **a** new breed of local manager, but at the same time

resistance from and tension with the local old-timers who, as one German manager put it, are schooled in outmoded Japanese ways: slow and plodding with automatic careers, risk-averse, and incapable of clear and quick decisions.

German managers as mediators. Much of the role played by high-level local managers in Japanese-owned companies is one of interfacing between the Japanese management team and lower-level local hires. Several German managers who felt they were coping with this juggling act cited their role in devising formal management systems that would simultaneously satisfy the German need for structure yet accommodate the Japanese demand for flexibility. The electronics firm marketing manager was instituting a Management by Objectives (MBO) program for personnel appraisal, which he viewed as less rigid and detailed than one he had known at a comparable **U.S.** company but was nonetheless a quantum leap in formalization over the subsidiary's prior management practice. The trading company personnel manager was in the process of installing a Hay Associates system of job analysis and evaluation. The Japanese had been reluctant to impose this much structure on the organization but after a good deal of lobbying he had won their mandate to proceed.

Yet despite their efforts to install some German-style structure within the amorphous management culture of the Japanese firm, the German managers acknowledged the merits of the Japanese approach. One put it thus: "A German worker can do anything provided he has a checklist. The Japanese say they can do anything without the book. The advantage of the Japanese approach is that, if a problem comes up that is not in the book, the Japanese will try to do something."

Mentoring ties** us **a bridging device. If the local staff are numerous and have long tenure in the Japanese transplant firm, they are more likely to be patient with, adjust to, and learn from the Japanese. Pucik, Hanada, and Fifield's (1989) survey of American managers in the **U.S.** subsidiaries of Japanese firms found that the most effective route to influence and inclusion in the ruling circle of a Japanese subsidiary was through a mentoring partnership with a Japanese manager. This recalls ***sempai-kohai*** relations in Japan where a senior employee paternalistically takes a younger person under his wing ***(on-giri kankei)*** and schools him in the ways of the company.

Several German executives in North Rhine companies had made such mentoring ties the vehicle for their ascent in the organization. The German general manager of the German division of a large Japanese shipping company described his successful partnership with the two senior Japanese managers as a "triumvirate." He had been to Japan, studied Japanese management, and had adopted that diffuse and interactive style as his own. Germans, he and others noted, were accustomed to direct orders and fixed procedures. He had come to respect what he saw as the Japanese approach of setting targets and encouraging people to find their own paths to achieving them. In addition, he had learned the Japanese virtue of patience and had matched his Japanese colleagues in working late, drinking hard, and otherwise demonstrating himself a dedicated manager in the conventional Japanese sense.

Still, this manager confided doubts that he would ever penetrate the highest precincts of his company, though should he stay long enough he thought he might make it to the second level. He was fortunate, he felt, in that the Japanese parent firm, while practicing like other Japanese multinationals a good deal of "management by fax machine," was superior to most in

the autonomy it gave the German branch, so that his efforts to cultivate ties and gain respect were paying off in real influence.

Another case of partnership was the relation between the German head of marketing and the Japanese general manager at the Dusseldorf headquarters of a large Japanese electronics concern. Again the German manager (who had spent ten years in the U.S.) had made a successful transition to a Japanese management style. Much of his influence and that of other Germans in this office, however, he owed to his Japanese partner who, in contrast to the previous general manager (under whose regime decision making was almost exclusively the province of the Japanese), was an urbane, articulate (in English), and assertive leader committed to shifting responsibility to local people. He nonetheless acknowledged that on most questions of substance he still sought permission from Tokyo.

Labor, Unions, and Codetermination

Working hours. While the average Japanese employee puts in 2,150 hours per year, and Americans work around 1,950 hours, the typical German takes it comparatively easy at 1,600 hours a year. Moreover, in contrast with the much-marveled-at Japanese tendency to give up vacation time for the sake of the firm, Germans take their paid holidays for granted, and by American standards they are numerous indeed. Some absenteeism owing to “illness” on Fridays, Mondays, and around holidays was also noted by our Japanese informants. Low working hours do not, on the other hand, convert into lower annual pay: in 1990, 88 percent of the German GNP went to workers, as opposed to 80 percent in the United States and 69 percent in Japan.

With high German wages and complex work rules, Japanese companies view German working hours as a significant cost to investment in Germany, and it is a factor in the limited

commitment they have made to large scale manufacturing there. Yet they did not seem to view it as an unalloyed liability. First, Germans in executive positions in Japanese companies, they said, by and large matched the Japanese in work commitment, toiling without complaint evenings, weekends, and holidays. Second, as noted, the Japanese praised the efficiency and diligence of Germans on the job, even over the Japanese white-collar staff.[13] They found German employees were better trained, more precise and accurate in their work, and generally more productive than other nationalities. As one Japanese manager put it, "German workers may cost more, but their reputation for quality and skill means that we can more easily sell goods to other countries." Or, "Germans may work fewer hours, but when they work their concentration is *beautiful."* Because of the skill and efficiency of German labor, a JETRO official told us, Japanese companies could live with workrule rigidities and high labor costs. Moreover, Japanese firms were following with keen interest the debates in Europe over the need for greater labor flexibility to bring down high unemployment rates (at the time averaging above 10-12% in North Rhine-Westphalia) and increase European competitiveness.

The views of union officials and works councils. In several hours of interviews with union and works council officials we examined the problems of German rank-and-file workers in

g -48.3g -48nule in ehemand ain J -48a JEpa

managers and workers, and how workers are treated, are any worse or better when compared to similar German companies?" The routine answer was, overall, that Japanese corporations are neither better nor worse than German firms in their treatment of German workers. This, of course, is not to say that the Japanese firms were problem-free-only that the German employers were no better.

The history of Japanese business in the United States and United Kingdom shows that Japanese companies have been more successful with bluecollar workers than with white-collar and professional people (Florida and Kenney, 1992; Lincoln, 1990; White and Trevor, 1983). The Japanese workplace traditions of shop-floor participation and long-term employment are often welcomed by blue-collar workers who find in these policies a sense of security and partnership in the operations of the firm. The problems of white-collar employees in adapting to the Japanese-managed company have been noted: barriers to communication, decision making, and promotion that impede participation on an equal footing

We interviewed works council members from companies employing mostly white-collar workers as well as those with predominantly bluecollar workers. Many had been with German companies prior to joining the Japanese firm. Rarely did these workers indicate they had more problems with the Japanese company. Indeed, they favored it: "Japanese companies give you more time to learn things"; "you can make mistakes in Japanese companies and they have more patience with you"; and "they seem more concerned about their workers here."

Union leaders cited the following problems faced by workers in Japanese transplants: Managers push additional working hours on employees without extra compensation; tariffs (wage agreements) are sometimes violated by assigning a lower classification than an

employee's job justifies; not all issues that the laws require are taken before the works council. The union officials noted, however, that German employers engaged in similar actions.

Yet other complaints were peculiar to the Japanese firms. There were the familiar problems of communication ***("We don't always get enough information from the Japanese staff about how to do our job"; "instructions are often written in English which most of our workers can't read").*** That communication in English should prove a greater hurdle for German bluecollar workers than for their better educated white-collar colleagues comes as no surprise. Workers also complained that the Japanese kept their distance from workers and the works councils and that they were less able or willing to talk openly about problems. When concrete personnel problems did materialize, moreover, they were aggravated by the language barrier.

There were also concerns that negotiations between management and works councils took longer in the Japanese firms. This is again attributable to the Japanese penchant for long predecision discussion and analysis. Because of their strong dependence on the overseas parent firm, the Japanese management often lack the independent authority to negotiate local labor agreements that German or American employers possess.

Some of these issues are traceable to Japanese managers' general naïveté regarding the structure and functioning of German works councils and codetermination laws. One union leader commented that "Japanese managers have much less experience dealing openly with workers' representatives through a works council. They do not fully understand what German codetermination laws require. " Japanese companies were often less resistant initially than were German employers to forming works councils when the law required it. But once the council was in place and operational and the Japanese began to realize its implications, their cooperation with the process was less than complete.

In general, however, Japanese subsidiaries in Germany have no choice but to comply with German labor norms. As the Director of JETRO in Dusseldorf commented, “If Japanese managers work within the rules established by union and management, there is no problem.” When a Japanese corporation sets up operations in the United States and hires American employees, a range of labor issues is thrown open for negotiation and dispute: pay, working hours, vacations, work rules, and union representation are all on the table. Owing to weak American unions and the competition among states and localities to provide an attractive “business climate,” the Japanese company is disposed to drive a hard bargain. The contrast with Germany is sharp: codetermination laws and union rules go with the territory. The reputations Japanese firms have elsewhere acquired as antiunion, low-wage employers who manage “by stress” have no chance of forming (Milkman, 1991).

This is not to say the Japanese are happy with German labor rules. Japanese managers complained of the burden of regulations demanding maternity leave, working-hour restrictions, long vacations, and the conduct of union and works council business on company time. With an air of exasperation, personnel managers in two such firms presented us with impressively long lists of employees currently on some type of legally mandated leave.

While information sharing with employees and unions through joint consultation committees ***(roshi kyogi-kai)*** and collective bargaining is established practice in Japan, such cooperative arrangements are much less formally codified and legally sanctioned than German codetermination laws require. Moreover, the relative weakness and dependence of Japanese enterprise unions guarantee the company considerable discretion and control in these exchanges. German works councils and unions, protected by broad legal safeguards against arbitrary management actions and rights to worker involvement in participation in decision making and

governance, represent labor participation of a sort unfamiliar to and not altogether to the liking of the Japanese management.

Yet one feature of German industrial relations that was praised by Japanese and German managers alike is that the company contends with but a single highly unified labor association. This it has in common with the Japanese enterprise union system. A representative of the Associations of German Employers stated: “As soon as you get splinter groups in the plant, you get unrest as well. We would rather deal with one union, with a unified works council. A single, unified opponent is more reliable and trustworthy ***[verlasslich];***m ore than one faction fosters competition among them as each tries to outdo the other. We would rather have a single strong and self-confident union to work with.”

Conclusions

It is not uncommon to attribute the conflict and misunderstandings that materialize between an expatriate management team and their local hires either to cultural miscues (including language) or to simple prejudice and discrimination. Culture, in the sense of deep-rooted societal values and skills, does shape relations between local and rotation employees in Japanese subsidiaries abroad. What could be more fundamentally cultural or more productive of short-term pique and smoldering long-term ill will than the politeness/rudeness or bluntness/vagueness rifts cited by the Japanese and Germans in our survey? Yet most of the obstacles to smooth cross-nationality relations in the Dusseldorf Japanese firms arose less from culture per se than from entrenched organizational habits-e.g., top-down and segmented vs. inclusive and consensus decision making; the specialist-generalist split over job roles; or the tension between explicit and implicit structures of performance appraisal. Even the tight controls

that Tokyo or Osaka offices impose on foreign subsidiaries is less, it seems to us, a function of some culturally grounded Japanese distrust of ***gaijin*** managers than of the seamless hierarchical unity of the typical Japanese firm. It is also due to low reliance on the accounting controls that Western transnationals widely use to manage their foreign subsidiaries.

Modes of organizing may themselves have cultural roots, of course, but culture is not the only reason for the permanence and legitimacy that explain the often visceral resistance to attempts to modify them. Japanese multinational corporations face a dilemma: the unique and traditional management practices that by and large have served them well do not easily accommodate outsiders in the organization, particularly at the highest levels of leadership. Moreover, the very distinctiveness of such forms sets the stage for conflict with alternative models when the Japanese firm goes abroad.

German organization with its own distinctive structure of authority and expertise complemented by works councils and codetermination laws has some features in common with the Japanese model but much of it is markedly different. The cultural diversity, weak unions, and political fragmentation of the United States allow the Japanese firm more leeway to apply its standard practice to a local workforce and management team.[14] Moreover, while Japanese management style may strike Americans as exotic, Americans are generally quicker than the Germans to adjust to it. Weaker labor institutions are one reason. Another is that "American" organizational modes span more variation and shift more often with the winds of management fashion (e.g., the current passion for "reengineering"). Germany, like Japan, is different. It is a tight, dense, and in some ways closed cultural and social system that resists foreign or novel

14. Of course, it is not **only the Japanese who must adapt to a complex and constraining institutional environment when they set up business in Germany. A recent article in the *Washington Post* colorfully describes the "perils U.S. firms encounter when they try to do business in a country where custom, regulation and social nuance can create many a sticky wicket.** . . . **it doesn't take long to discover that when working here there is a right way, a wrong way-and a German way" (Atkinson, 1994)**

elements. The recessionary German economy and other symptoms of faltering German competitiveness have recently tested that resistance, making German managers and officials more receptive particularly to Japanese but also to American methods. Yet faith in the established order runs deep. Indeed, as the economy pulls out of recession, sentiment is growing that German institutions have been vindicated, thus weakening the impetus for change (Goodhart, **1994).**

What do the diversity of style and practice and the occasional tensions and miscommunication within Japanese firms in Germany imply for the performance and effectiveness of these organizations? It is noteworthy that the Japanese appeared to have no strategic plan for managing their internal divisions. The adjustments we saw taking place (e.g., the mentoring partnerships and compromise personnel systems) seemed ad hoc and evolutionary, not proactively designed by the Japanese team. Indeed, in the cases we cite, it appeared that German managers in key positions had contrived the solutions and persuaded the Japanese to go along. We may have been witnessing, of course, another instance of Japanese decision making: subordinates (in this case, Germans) being nudged by Japanese superiors to take the initiative on issues to which the company was committed all along.

Yet the business performance of the organizations we studied did not seem to be suffering from their internal nationality divisions and the problems these posed for communication and cooperation. Despite the recessionary economy and the numerous institutional obstacles to the conduct of business in Europe, our informants were generally optimistic: their companies were competitive and with some exceptions were meeting corporate goals. A reason for their success, we suspect, is that, despite the uncertainties and tensions brought on by the “culture gap,” they were staffed by highly skilled and able people going about

their tasks and responsibilities in a competent and diligent, if not altogether unified, way. The weakened German economy had given these companies their pick of German white-collar and blue-collar labor, and the Japanese, of course, performed their jobs with customary fervor. In the last analysis, a talented workforce-and the Germans and Japanese arguably have the best in the world-can offset a host of organizational ills.

REFERENCES

Atkinson, Rick. 1994. "Germany's Maze of Business Regulation Challenges U.S. Companies." ***Wash-***

Bartlett, Christopher A,, and Sumantra Ghoshal. 1989. ***Managing across Borders: The Transnational***

Clark, Rodney. 1979. ***The Japanese Company.*** New Haven: Yale University Press.

Cole, Robert E., and Donald R. Deskins, Jr. 1988. "Racial Factors in the Employment Patterns of Japanese Auto Firms in America." ***California Management Review*** 31:9-22.

Dore, Ronald. 1973. ***British Factory, Japanese Factory.*** Berkeley: University of California Press.

Endo, Koshi. 1994. ***"Satei*** (Personnel Assessment) and Interworker Competition in Japanese Firms." ***Industrial Relations*** 33:70-82.

Florida, Richard, and Martin Kenney. 1992. ***Beyond Mass Production.*** New York: Oxford University Press.

Goodhart, David. 1994. "There's Still Life in the Old Model: Despite Economic Woes, Germany's Social Market System Has Proved Resilient and Flexible." ***Financial Times,*** 12 April.

Japan External Trade Organization ***(Nihon Boeki Shinko-kai).*** 1993. ***Zaio Nikkei Kigyo (Seizo-gyo) no Keiei Jitai:Dai Kyu-kai Jitai Chosa Hokoku*** (The Management Practices of Japanese-Affiliated Manufacturing Firms in Western Europe). Tokyo: JETRO. ***ington Post,*** 22 May. ***Solution.*** Boston: Harvard Business School Press.

Japanische Industrie- und Handelskammer zu Dusselorf. 1992. ***Kaiin Meihaku.***

Kerbo, Harold **R.,** Elke Wittenhagen, and Keiko Nakao. 1994a. "Japanische Unternehmen in Deutsch: Unternehmenstruktur und Arbeitsverhaltnis." Gelsenkirchen: Veroffent-lichungsliste
Des Instituts Arbeit Und Technik.
-. 1994b. "Japanese Transplant Corporations, Foreign Employees, and the German Economy: A Comparative Analysis of Germany and the United States." ***Duisburger Bettrage*** *zur* ***Sociologischen Forschung.*** Duisburg, Germany.

Kieser, Alfred. 1990. "Organisational Culture." In ***Handbook*** of ***German Business Management,*** edited by Erwin Grochla and E. Gaugler, pp. 1576-81. Berlin: Springer-Verlag.

Lifson, Thomas B., and H. Takagi. 1981. "Mitsubishi Corporation (B): Americanization at MIC." Case No. 9-482-051. Boston: Harvard Business School.

Lincoln, James R. 1990. “Japanese Management in the U.S.: A Qualified Success.” ***JAMA Forum: A Quarterly Journal on International Trade and Automotive Issues 8:*** 14-18.

Lincoln, James R., and Arne L. Kalleberg. 1990. ***Culture, Control, and Commitment: A Study*** of ***Work Organization and Work Attitudes in the U.S. and Japan.*** Cambridge: Cambridge University Press.

Lincoln, James R., Jon Olson, and Mitsuyo Hanada. 1978. “Cultural Effects on Organizational Structure: Japanese Firms in the U.S.” ***American Sociological Review*** 43:829-47.

Lorenz, Christopher. 1994a. “Styles of Execution.” ***Financial Times,*** 23 February.

-. 1994b. “Does Nationality Really Matter?” ***Financial Times,*** 13 April.

Maurice, Marc, Arndt Sorge, and Malcolm Warner. 1980. “Societal Differences in Organizing Manufacturing Units: A Comparison of France, West Germany, and Great Britain.” ***Organisation Studies*** 159-86.

Milkman, Ruth. 1991. ***Japan’s California Factories: Labor Relations and Economic Globalization.*** Los Angeles: IILR Monograph and Research Series, UCLA.

Morita, Akio, and Shintaro Ishihara. 1989. NO to *ieru* ***Nihon*** (The Japan that Can Say NO). Tokyo:

Nelson, Mark M. 1993. “Germany’s Service Sector Is Booming in Overdue Restructuring of Econ-

Oliver, Nick and Barry Wilkinson. 1990. *The Japanization of Britain.* Oxford: Blackwell.

Ozawa, Ichiro. 1994. *Blueprint for a New Japan.* Tokyo: Kodansha.

Pascale, Richard Tanner, and Anthony G. Athos. 1981. *The Art of Japanese Management: Applications for American Executives.* New York: Simon and Schuster.

Pucik, Vladimir, Mitsuyo Hanada, and George Fifield. 1989. *Management Culture and the Effectiveness* ***of*** *Local Executives in Japanese-Owned* ***US.*** *Corporations.* Tokyo: Egon Zehnder International.

Streeck, Wolfgang. 1984. “Guaranteed Employment, Flexible Manpower Use, and Cooperative Manpower Management: A Trend towards Convergence?” In *Industrial Relations in Transition: The Cases of Japan and the Federal Republic of Germany,* edited by Tokunaga Shigeyoshi and Joachim Bergmann, pp. 81-116. Tokyo: University of Tokyo Press.

Wall Street Journal. 1989. “Labor Letter: Why Do Japanese Bosses Share Blame while Americans Hang Tough?” **4** April, p. 1.

White, Michael, and Malcolm Trevor. 1983. *Under Japanese Management.* London: Heinemann.

Yoshihara, Hideki. 1989. “The Bright and the Dark Sides of Japanese Management Overseas.” In *Japanese and European Management: Their International Adaptability,* edited by Kazuo Shibagaki, Malcolm Trevor, and Tetsuo Abo, pp. 18-30. Tokyo: University of Tokyo Press. Kobunsha. omy.” *Wall Street Journal,* 10 May, *p.* 1.