



**INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY**

# **What Makes Japan Click**

by  
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## **PREFACE**

Japan is one of the smallest countries in the world and it is a mighty economic power - third in the world ; may soon become the second. How is it possible?

This Resource Paper on What makes Japan click? tries to analyse the answer to the question. The authors have pointed out the innate strength of the nation is in its people.

It is our earnest desire that everyone of us reads this Resource Paper and emulates Japan to make India vibrant.

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N. Krishnaswami  
Chairman



## **What Makes Japan Click**

### **Introduction**

Japan is Asia's game-changer in economics, politics and in socio-cultural fields. It is the world's 4<sup>th</sup> largest economy in terms of purchasing power parity and is ranked 3<sup>rd</sup> in terms of nominal GDP. This land where the Sun rises is an archipelago of 6852 islands situated in the Pacific Ocean. Located along the ring of fire, consisting of around 200 volcanoes, Japan is also the home of innumerable natural disasters like earthquakes, typhoons and tsunamis. With almost three quarters of its land being mountainous, very little land is available for sustained agriculture and development. A country with one of the highest life expectancies (around 83 years), Japan is seen as a nation of “silver” citizens. The declining fertility rates are, to say the least, alarming for a developed nation. But, Japan is the nation of successful cutting-edge technology, natural beauty, cultural savvy and successful industries. What gives this island nation with its population of around 127 million people (decreasing rapidly) its motivation to strive and succeed? This paper attempts

to take an elementary look at the factors that contribute to the Japanese success story.

## **Socio Cultural Milieu**

### **Homogeneous society**

Japan being an island nation, has managed to keep itself as insulated as desired. This is a controversial statement but looking at its history, one can conclude that the external influences have been managed rather well. This might also be the geographical circumstances that the country found itself in. Look at the case of India. In a contrasting study of external invasions and influences, India was geographically open to almost anyone who wanted to visit and stay on Mahmoud Ghazni, the Moghuls and much earlier, Alexander the Great. However, Japan's influences have been China and the West at different times. The absorption of culture from China and even language, did not erode the society of Japan. This is because there was no invasion of Japan. In fact, the society of Japan is one of the most homogenous societies in the world. Again, this is a statement that would attract the ire of western social scientists who would rather not talk about the homogeneity of a society. However, let us not link the uniqueness in Japan to a small foreign population or to the lack of acknowledging the history of a class system that existed till a hundred odd years ago. Instead, let us acknowledge the desire of the Japanese who look for a national identity and also place the group's identity above the individual's own desire to shine. This is the very quality that lets a country, regardless of its millions of varying

opinions, stand up together and as one, after each great natural disaster that claims hundreds of lives.

### **Hard work**

The value of hard work is something that every nation aspires to instill into its people, especially people below the age of sixty. Productivity being a great determiner of the fortunes of nations, it is rightly so. An average Japanese person puts his or her work above self, family and friends. There is an old adage that many a Japanese man dies of hard work (*karoushi* or death from overwork). As is the case with statistical data, though the death from overwork is a significant number, it could just be that Japan is one of the few countries that report these deaths as a separate category. But this apart, Japanese men do live a good part of the day at the office. The value of hard work is instilled in the early school days itself. Working hard to keep up at school and to do well is considered to be the duty of a student. Slackers are looked down on and the message is clear from the beginning. As a result, adults in society understand the necessity for hard work. They also see the need to conform and be one with the group. More often than not, Japanese are driven more by this need than any other. As a result, the group thrives on hard work and the results are seen in the phoenix like rise from the ashes of the nuclear bombing of the World War II.

### **Teamwork**

In Japan, teamwork is considered a responsibility and not just something one does at work. Being a member of a team or company or society ensures that one behaves responsibly and in a



manner that helps those around. This also ensures that everyone is working towards a common shared goal.

Individual accomplishments and shining at the expense of another is looked down upon. The *senpai* and *kouhai* culture of mentoring also helps newer employees understand that they are part of the larger vision of the organization and not just individuals looking at climbing the corporate ladder. This is very different from most countries, where a junior employee has to look out for himself almost as much as he works with his team. In heterogeneous teams, team building might be something that corporate managements invest in out of necessity. However, in Japan, even the morning exercise that is done to radio music is an exercise that unites people across the country! All business meetings begins with self- introduction and it is part of etiquette that one says the name of one's organization before one's own name. This simple act itself is a pointer to the importance of the team before the individual.

Of course, decision making in Japanese firms is a time consuming process from the point of view of foreigners. Very often, it is cited as the stumbling block to clinching deals or negotiating with Japanese companies. However, decision making is an inclusive process in a Japanese company and all parts of the organization are included in the process. This ensures that the decision taken is accepted by all and is mainly a group endeavor.

### **Punctuality**

The concept of time is different in different cultures and the Japanese stand out as being the most punctual race. As a people that value their time very much, their public transport system is

built to vouch safe that. Meetings have to be started on time. One has to make sure that one is at the meeting venue 5 minutes ahead and not at the given time. Deadlines and schedules are adhered to. Here again, time consciousness is instilled very early in life and there is no excuse for tardiness. This makes the average Japanese national very annoyed when working in other cultures that take time management rather easily. In Japan, trains that are unavoidably late have their staff issuing late slips (and apologies) to their customers, so that they are not penalized by their companies. This quality of punctuality is seen more as a responsibility and a duty towards their fellow beings and not as a burden. This is the beauty of the system! Often times, this has led to the Japanese counterpart saying that even if the person does not know Japanese language, it is not a problem; however, if they do not know the value of time, it is impossible to see eye-to-eye.

### **Respect**

The concept of respect is enmeshed into the Japanese, as is the case with many Asian cultures. Respect for fellow beings be it superiors at work, colleagues, friends or acquaintances is expected and understood as a concept. The Japanese language too has the concept of *keigo* or a set of words and phrases that are used to place the speaker and the listener at two different levels one in an exalted position (listener) and the other in a humble position (speaker). These complex levels of language also indicate the familiarity between the two people interacting or their lack of it! Here, the concept of *uchi* and *soto* (insider and outsider/ us and them) comes into play. If a company executive is talking to a client, the client is placed at the honorific level immediately. The study of a language and its structure can

reveal a lot about the culture of the people using the language. In this case, respect is a complex concept deeply engraved in the Japanese.

It is not only people who are respected in this culture; the expanse of respect is extended to time, the environment, objects and of course, to one's work. This quality is probably the one that any culture, including the newer Japanese generation, will do well to sustain. What else can one do better than to encourage sustainable development initiatives based on a framework of mutual respect between people and the planet?

### *The Aged*

According to a summary report of the national census of 2015 in Japan, 26.7% of the 127.11 million population is aged 65 years or older. This figure has surged over the previous 5 years and the number of senior citizens living alone is alarmingly high. 1 in every 8 men and 1 in every 5 women aged over 65 lives alone. This figure will increase rapidly in the next few years owing to the post war baby boomer generation of people, who will cross over to the post 65 age group soon, if they haven't already. While this means that the nation is burdened with increasing healthcare costs, it also is an opportunity for Japan to open the doors to immigrant jobs and investment by overseas companies in Japan (with an overseas workforce, perhaps). However, the average Japanese elder is not ready to sit at home and enjoy the comforts of doing nothing. In fact, it is considered quite disdainful to do so. Most people over 60 are happy to continue working wherever there is an opportunity and the Japanese government has decided to increase the age of retirement to 62 and is thinking of increasing it to 65 in the next ten years. The respect for work and

recognizing it as the reason for one's well-being and good health is perhaps, best learnt from the silver citizen in Japan. It is not an uncommon trend in corporates to want to retain older employees past their retirement age. In the near future, maybe it will result in a positive trend of re-employment.

Respect for the aged is again something that is taken for granted. There is a Day earmarked for Respect for the Aged (*keiro no hi*) too. However, nowadays it is not uncommon to see the youth of the country sitting down and pretending to not see the senior citizen standing in the *densha* (train). It is hoped that it is not a generalization of the way things will turn, because one of the inspiring qualities of society in Japan is the presence of their senior citizens who are independent and actively volunteer in various community initiatives.

### **Concept of honour**

The concept of honour or face (*mentsu*) is something unique to Asia, particularly, East Asia. In Japan, an honoured position is given to important people and guests. This way, there is a buildup given to their presence. Similarly, one also finds that there is an extreme aversion to loss of face or honour in public. This makes the Japanese very cautious of their actions and behavior in a group. In meetings, great care is taken to prevent any manner that may be perceived as being questioning to the people in higher positions. It also means that their actions will be done in a manner that guards their own honour. Hence, openly questioning superiors at work or in meetings is not accepted. The concept of honour and the “way” may be traced back to the bushido or way of the Samurai. However, many also feel that its roots lie in Confucianism. Whatever may be the

history, an honourable code of conduct ensures that once the word is given, it isn't broken and the task is also finished honourably. This is an easy concept to understand in the Indian milieu too, where ancient India had its foundations in “keeping its word” and “saving one's honour”.

### **Space Utilization**

Japan has a land area of 364560 square kilometres according to the World Bank (2014). Of this, very little can be used for agriculture and living. (Most of its land is mountainous and many a mountain is volcanic). Space is at a premium in Japan, be it in the vertically expanded largest metropolis of the world, Tokyo, or the more idyllic towns and cities of other prefectures. Hence, the Japanese have mastered the art of optimum use of space in their homes and work environment. Multipurpose rooms, collapsible or removable walls and room separators, assembled and easily dismantled furniture, roll and put away futons (mattresses) are all a norm and not just luxury. Sometimes, this is taken to an extreme too. How else can one justify the development of capsule hotels where one gets just enough space to sit or lie down in a bunker type capsule?

The urban planning in Japan is detailed and the zoning system ensures that the use of land is controlled. Its people are highly aware of the restrictions of space and do not accumulate unnecessary paraphernalia in their living spaces. This also gives a minimalist approach where the concept of *less is more* is emphasized. Traditional art forms in Japan too seem to have imbibed the concept of minimalism. Perhaps, there is a definite link between physical space and the space in art.

## **Technology**

Think of Nihon and the first association is probably technology and gadgets, for a majority of people. In the early days, technology was seen in industrial development and later, the buzzword was consumer electronics. The complete capture of the electronics mind space by Japan overshadowed their capabilities in all other fields, at least in the minds of the people of the world. Japan stood for superior quality and design. Technological prowess is seen in the automotive industry and even today, holds the sway over many an Asian market. Today, Japan is seen as the leader in robotics, with innovations in the fields of robotics in construction, automation, diagnostics, medical devices and health care. The problems of loneliness, isolation and even friendlessness of our current urban existence are looked at with a solution of talking dolls and tail-wagging dogs in Japan.

Mobile devices and the internet- enabled devices-sector are the focus of technology now and Japanese majors are rushing to incorporate features (software) that will make smartphones think like human beings.

## **Research**

Research and innovation are seen as keys to development and thinking and Japan has the funds and the determination to pursue this. This country has produced over twenty Nobel Laureates in Physics, Chemistry and Physiology and Medicine. There are many more scientists in Japan who have not been given the Nobel but have contributed to new scientific theory and development in their areas of pure and applied sciences. The first Nobel went to Yukawa Hideki for his prediction of the

existence of mesons and the latest in 2016 to Yoshinori Ohsumi for his study on cell autophagy. The Japanese government values research in many fields and funds are allocated to Science and Technology use, Information and Communications, Social sciences, Life innovations, nanotechnology and now, green and sustainable innovations. The Ministry of Education, Culture, Sports, Science and Technology has promotion of research and development as a key focus area and has as many as nine independent administrative institutions to implement the National Policy Objectives with regard to science and technology. These bodies include Japan Science and Technology Agency, RIKEN, and other specific area related institutions like Earth science, Radiological sciences, Space exploration, Marine science, Material science and Atomic energy.

When there is a policy driven focus on research and innovation, higher education institutions will also strive to make programmes, and structure the education system with the objective of fostering excellence and developing students who are capable of pursuing the goal of discovery, creation and finally, usefulness to society.

### ***A Commitment to Superior Quality***

The Japanese have always been known for the superior quality of their wares even in traditional and old handicrafts. Wood products, cloth, handmade articles are all known to excel in their fine details. As a people, the Japanese are as particular about how things are done as the outcome. Hence, the process and the product are essentially important, as is the maker of the product.

The fine quality of Japanese products today, be it electronics or cars or mobile phones, is not just an incidental result of a keen and watchful race. It is the result of much research and practice and has been the fulcrum of industrial success in Japan. Think of Toyota and one automatically has a vision of superior quality. It is true that many of the quality initiatives that the world has come to follow, has started from the factories of Toyota. The concept of fine quality applies to the majority of products made in Japan and the Japanese themselves, are proud of the fact (*nihonsei* manufactured in Japan).

The concept of kaizen (continuous improvement or gradual improvement for the better) is the key quality management principle adopted in the manufacturing sector. This includes the concepts of 5S (*seiri, seiketsu, seiton, seiso, shitsuke* tidiness, standardized clean up, orderliness, cleanliness, discipline), 3 M (*muda, mura, muri* avoid waste), JIT (Just in Time), Lean production, SMED and TQM. These quality processes that the world has embraced have their beginnings in Japan. The greatest contribution towards quality by the Japanese is perhaps, the realization that every employee is involved in the quality initiative taken up by the company. In this process of organized *kaizen*, it is the individual employee who is empowered and all other steps (like quality circles) stem from this. The whole approach has harmony as the underlying principle (和 *wa* = harmony = the Japanese way in *kanji*). The Japanese concept of quality has come to mean that the interests of all stakeholders are taken into account and valued.

### **Conclusion**

To the outsider, Japan is a land of mystery and probably thought of as incomprehensible because of the language barrier. Hence, Japan is often thought of as a monolith. However, a closer look at



its culture and society reveals that its people are vibrant, hardworking and forward looking (*maemuki*). To shake off the ravages of the nuclear bombs and to rebuild the nation brick by brick is no mean feat. To climb to a position of economic power and capture the markets by superior quality products and innovative research is commendable. The newer challenges of the twenty first century - the economic downturn, sustainable initiatives to prevent environmental collapse and keeping the next generation motivated, will be on the minds of the Japanese, as is the case in most other countries. With their respect for the past, their eye for fine details and precision in the present and a harmonious vision for the future, the Japanese can continue to inspire the age that we are in.





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