

Fear on the Kanto Plain – Thoughts on Japan's industrial miracle

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Japanese economy'', but self preservation demanded at least one small exception, an exception that had major consequences not just for Japan but, in time, for the whole world. MacArthur decided to help the manufacturers of household radio sets and communications equipment. The reason was simple: fear.

Churchill called MacArthur's landing at Atsugi Airport with just a handful of men the bravest deed in the war. At the time of the Surrender on September 2nd, 1945 there were some 2,500,000 armed Japanese soldiers in Japan proper, many unhappy about the capitulation. MacArthur never had more than some 500,000 soldiers under his command, and that only for a short period. From the start, MacArthur realized that communicating with the Japanese was as important as feeding them. Rumours would be dangerous. With this in mind a Civil Communications Section (CCS) was established in the Allied High Command and an experienced manufacturing engineer, W.S. Magill, was flown out from AT & T's Western Electric division. K. Kobayashi, who later became Chairman of NEC, calls Magill a major contributor to Japan's new management of quality. Other engineers mainly from AT & T followed.

CCS engineers not only advised Japanese communications companies on manufacturing methods, they also mounted a famous course for top executives on "how to run a factory". This became known as the CCS course. Years later the American engineers who organised this course told me it was needed because quite simply the Japanese did not know how to run a factory. Much of the course covered the aspects of factory management long known as Scientific Management. The expression CCS passed into wider use in Japan, and eventually into history, as the title of a prestige course given by Nikkeiren, the Japan Federation of Employer's Association, for employees being promoted to top level. As late as 1982, Nikkeiren still listed the course in the place of honour in its annual training Prospectus – long after they had ceased to give it! Those who were involved in the original course, both Americans and Japanese, would never forget it. As one of the American engineers said to me "we hope the spirit of CCS will never die."

Every generation has its own heroes. Bunzaemon Inoue, a major figure in creating modern Japanese factory management who was to become my friend, may interest readers. At the end of the Occupation he travelled Japan to alert the whole of Japanese industry (not just the communications manufacturers with whom he worked) to the importance of CCS teaching. "It was" he said "the light that illuminated everything". Years later as Technical Director of Sumitomo Electric he assisted those in his company who were to develop what we now call Participation and QC Circles. Once again he toured Japan to encourage others to try these practices.

Inoue was a realist who, when appointed President then Chairman of a small inefficient Japanese tyre company, was to convert it into the modern Sumitomo Rubber Industries which is best known here for its Dunlop subsidiaries. He had an outstanding reputation as an executive. I. Sakamoto, former chairman of Sumitomo Electric, remembers his post-war work as a top executive with that company saying, "he was a locomotive that dragged us all through the difficult years". As mentor and teacher he gave of his time generously helping innovators and propagating the ideas of others both inside and outside his own company. Sakamoto commented on the over 500 lectures Inoue gave in every part of Japan: "he thinks all his pupils are his children". There may be more to building a great company than being an axe man. It might benefit Britain if some senior British executives also undertook a broad role as Mentor or Teacher. Perhaps Sir John Harvey-Jones would set an example.

It was Inoue who first drew my attention to the key role Japan's formidable force of middle managers had played since the war. It is highly respected, unlike middle management in the West. Traditionally Western industrial management is seen as a pyramid with the important people at the peak; it is perhaps useful to see the management of a Japanese industrial company as a tough flexible horizontal membrane of well trained, experienced, tested, cooperating and competing middle managers supervised by a much smaller pyramid of senior managers.

The Assistant Factory Manager (Kacho) has no great status in Western society. To reach Kacho level is an achievement respected by everyone in Japan. Preparation for the Kacho role takes years. First young executives, often engineers, must succeed in a range of jobs. Companies may send them for a period of years to say a major U.S. research centre to acquire skills so as to increase the company's pool of knowledge. Western companies should consider whether they should not give their aspiring middle managers the kinds of experience that the Japanese give to theirs.

I found in my studies* of the impact of the CCS Course that it taught something I have not encountered in other management courses: that industry can operate efficiently only in a democratic society. Takeo Kato, regarded by many as the father of Scientific Management in Japan, where he had first introduced it in the 1920s, remembered particularly this teaching. Frank Polkinghorn, the director of CCS, told me he (Polkinghorn) had added a special Introduction to the course because he wanted to stress the importance of political democracy and morality to industry. "No man", Kato said to me pointedly of Polkinghorn twenty years later "has done more for Japanese industry". Industrial executives in the USSR who think they could operate an efficient industrial society in an absolute state would benefit from reading Polkinghorn's original Introduction which I can make available to them.

It is not often that virtue is rewarded. New ideas originating largely in Academia swept America in the 1960's leading to a considerable weakening of its unique managerial culture. Fortunately America's teaching of this culture to Japan after the War allowed Japan in the 1970's and 80's to re-educate America, offering her enhanced techniques which greatly benefited industry. Now areas of U.S. Society outside manufacturing e.g. medical and social services and education, badly need overhauling. Perhaps America under a new President whose formative years were in the American mid-century will rediscover the managerial attitudes and ideas that once enabled it to run its affairs well. Advice from outside may once again be helpful.

*See QUALITY PROGRESS, September 1985. Copies available from Shire Trust Ltd.