Ethical Aspects of “Japanese Leadership Style”

ABSTRACT. This article describes three characteristics of the Japanese Leadership Style (JLS): self-realization, appreciation of diverse abilities, and trust in others, which have both positive and negative ethical implications. In addition to illustrating how JLS allows Japanese corporations to avoid some of the ethical problems plaguing U.S. corporations, the authors will explain how these characteristics engender the loyalty and initiative of Japanese employees which promote incremental innovation and competitive advantages. Implicit in this discussion is the premise that both the American and Japanese business communities, by analyzing their own ethical issues and leadership styles, can learn from each other.

Japanese corporations have generally not been preoccupied with the same ethical issues that plague their United States counterparts. The concerns of the two business communities have not been mutually exclusive, but there is a difference in the emphasis placed on specific issues in Japan compared to the United States. While business ethicists in the United States have been more concerned with whether and how to close a plant, how to prevent workers from manufacturing defective products or stealing the company’s assets, and how to behave morally and remain competitive; the Japanese have focused more on how to contribute to the world with the spirit of noblesse oblige, how to encourage people to admit and respect values and practices different from their own, how to include women in the workforce, and how to encourage people to express unconventional ways of thinking (Keizai Doyukai, 1990). The difference in ethical concerns seems to result largely from the distinctive characteristics of the “Japanese Leadership Style” (JLS), and the normative environments from which it arises.

This article will explore how JLS not only affects the types of ethical issues that arise, but also contributes to incremental innovation in Japanese corporations. From an ethical perspective, JLS has both positive and negative impacts as Japanese corporations largely avoid many problems typically arising in the United States, while at the same time they have their own set of issues with which they must deal. Furthermore, rather than interfering with productivity, the same characteristics of JLS which are associated with ethical advantages also encourage the type of incremental innovation which enhances business performance.

After explaining the parameters of our investigation, we discuss how JLS relates to the Japanese normative environment, the positive and negative implications of JLS, and how JLS is associated with Kaizen or incremental innovation.

I. The parameters of our investigation

Some clarification of our terminology is necessary at the outset. First, by “Japanese corporations,” we mean the idealized large organizations that place
priority on interests of employees, and hold long-term strategic perspectives. Japanese corporations can be contrasted to American corporations which stress the interests of stockholders and are more likely to emphasize short term goals (Hayes and Abernathy, 1980; Wattenberg, 1988; Dertouzos et al., 1989). Although not all Japanese or American corporations fit these stereotypes, for the sake of simplicity we use these terms as "the ideal types" in a Weberian sense.

"Leadership" is a second term which warrants elaboration. Hemphill and Coons define leadership as "the behavior of an individual when he is directing the activities of a group toward a shared goal," (1957, p. 7). This definition focuses on three characteristics we would like to emphasize: (1) the human trait required (2) to coordinate interests of individual members of the group (3) towards the group's goal.

Finally, we would like to concentrate our examination of leadership in Japanese corporations on the manufacturing industries such as automobile and electronics. These industries and their durable consumer goods are extremely important in both the national economy and international trade. For instance, the Japanese auto and electronics industries accounted for 6.4% of the GNP in 1989 (Keizai Tokei Nenkan, 1992). These industries also constituted 41.18% of the total exports for 1991 (Toyo Keizai Tokei Gappo, 1992). In addition, examples from the manufacturing sector are familiar, straightforward, and can easily be compared to U.S. industries.

Why do different ethical issues arise in similar contexts? We assert that the difference between American and Japanese leadership styles results in divergent ethical issues. There may be other factors contributing to the contrast in ethical problems, but we are attempting to clarify one perspective which sheds light on how ethical issues arise.

Americans and Japanese can both learn from analyzing the differences in leadership and management styles. We can each learn better ways to approach our respective ethical issues. As Americans are probably less familiar with JLS, and space is limited, this article concentrates on Japanese leadership style, but an implicit assumption is that each can learn from the other.

II. The normative environments and ideal characteristics of JLS

In order to pinpoint the ideal characteristics of JLS, first and foremost, we have to understand in what unconscious "normative environments" Japanese people are living, because the characteristics of leadership are associated with these normative environments. After explaining the normative environments that serve as a foundation, we will discuss three ideal characteristics of JLS: (1) emphasis on self-realization, (2) appreciation of diverse human abilities, and (3) trust in others. Needless to say, these are not clearly separated but conjointly related.

1. Two normative environments

The normative environment reflects the value system of a society and determines what they consider acceptable or expected behavior. In this environment every individual person, event, or thing acquires its own meaning in relation to something beyond the secular world (we might be able to call it the ultimate reality). If we follow this definition, we can show two influential normative environments: the "transcendental normative environment" and the "group normative environment," (Kyogoku, 1983, pp. 139-188; Abe et al., 1990, pp. 235–239).

The easiest way to show the meaning of "transcendental" is to look at one of the famous Japanese didactic poems:

Although there are many paths at the foot of a mountain, they all lead us in the direction of the same moon seen at the top of the mountain (Kyogoku, 1983, pp. 137–138).²

This poem suggests that though there are innumerable phenomena in this tangible world, each person or phenomenon (every path) has its own spiritual energy which is linked with a single universal or ultimate reality (the moon).³ This individual spiritual energy can be described as the soul, spirit, raison d’être, or life force, and in Japan it is identified as the "numen." The key to appreciating this perspective is to understand that all numina are linked with an ultimate reality, similar to the idea reflected in the expression "All roads lead to Rome." We refer to the philosophy that all numina (paths/roads) are linked with the ultimate reality (the