Corporate Culture in Shogun One

Shogun One is a company manufacturing mainly vehicles for industrial usage. To understand the corporate culture of Shogun One, we undertook a qualitative analysis of its management system. This was followed by a quantitative analysis of its corporate culture, based on a survey of opinions carried out at all levels of the organization.

Understanding the corporate culture

The essential aspect of the corporate culture of this company is its basic philosophy to involve everyone. That puts emphasis on its unique production system and the involvement of the employees in the production system. The company maintains close cooperation between management and the relevant trade union to develop a good relationship. The purpose is to motivate the employees to maintain the production system at the maximum level of efficiency for the benefit of the company. The important part of the system is, in Japanese, *soyokoku*, whereby employees are invited to make proposals for the improvement of any process in the production system. That stimulates the interest of the employees in the production system. Employees are also motivated by various incentives, where payments are based on awards given to the proposals for improvement. The awards are made for proposals that are feasible and sustainable. In return, the company gets useful proposals to improve productivity and safety. Overseas bases for both production and administration have also this system. The proposals may be related to the line of work the employees do or to other areas. *Kaizen* or continuous improvement can never stop in any area of the business, especially in the production process.
In Japan the relationship between managers and employees is very close. In Western countries there is a clear separation between management and employees and, as a result, conflicts between employees and managers are common. In Japan this is not the case, although it used to be during the 1950s, when in some companies in Japan there were demanding trade unions, which caused a lot of conflict. From these conflicts the companies learned that the aim of management is to create a harmonious atmosphere for employees, which will ultimately enhance the profitability of the company. Now a days, there are periodic meetings between managers and the trade unions to iron out any conflicts.

Japanese people put a high value on ‘harmonization,’ on their social groups, and on happiness within the community of employees in the company. It used to be the case that hard work meant increased profits for the company, which meant increased salaries and career expansion for the employees, or continuous expansion. The philosophy was very clear. In the past, hard work may ensure a better life. Since the mid-1990s, it has not been possible for Japan to continue with the past procedures and past methodology. However, it is not easy to change corporate culture overnight to meet a new environment. Recently, hard work and efforts of the employees may not create any profit for the enterprise because of the endless fluctuation in the value of the Yen, which is causing serious disruption in the demand for products and in production cycles. Previously, competition was mostly local, but now it is global in most production processes, and the exchange rate of the Yen has become a serious factor in the production cycle.

There are also new challenges in the form of environmental issues. If industry wants to grow in future, proper handling of environmental issues is essential. A company may have to implement dramatic changes in technology. As a result, that company is investing large resources to develop future technology in its global production process. The future will bring dramatic changes in other aspects of management, for example in the purchasing behavior of the company because of the effects of the internet. Although the distribution channels are still very old-fashioned, there are dramatic changes going on in the distribution system because of advances in information technology.

These changes are affecting the career structure of the employees. Before starting their career, employees declare their mission statement in public. The organizational mission, based on the target of the company, is broken down into sets of responsibilities to form the missions for individual employees. They evaluate their performance initially themselves. Thereafter departmental managers evaluate them. After that process, they are evaluated by JOSHI, which is one rank above management.