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2. From Craftsman to Employee

World of Craftsmen

In Edo era, they received a significant respect of societies, remarkable profits and great power......In another age, those who came to countryside and purported themselves to be natives of Edo, put on airs of dignity showing tattoos all over their bodies, were not *samurai* from Edo, nor merchants from Edo, but were craftsmen of Edo. Edo’s craftsmen were already possessed of such influence, and those of other parts of the country were of the similar situation accordingly. Nonetheless, since the Restoration their power was lost, their profits decreased; They now have no occasions to wield influence other than rowing up a maty of a public bathhouse on account of lukewarm bath and throwing their little weight around at a festival once a year.

*(Tokyo Economic Magazine, Vol. 537, dated Sep. 7, 1890)*
In modern societies, if “an observation that once-ebullient craftsmen went out of curl and withered away in Meiji Period” is “correct, then, it is not because craftsmen disappeared suddenly, but rather, wasn’t there some change incurred in their business category?”

(Konosuke Odaka, *World of Artisans/World of Factories*, Libro, 1993, p.179)

Appraisal by Tsuneyoshi Takeuchi who has discussed the production and history of steel appliances for medical use:

- Attributable to a rapid demand expansion in the Japanese-Russo-War period, “the industry having a large margin of profits in the first place was taken by a storm,” and “headhunting battles of craftsmen were set off by producers under pressures of the deadline for delivery, and on another front, unexcused cessations from work increased among craftsmen having leeway in the money.”


- On that account, a large quantity of inferior goods were supplied to the military and naval forces, whereby the military, fobbed off with products that hardly bore off even one-time usage, began to study a switchover to imported goods after the war. This incidence triggered wholesalers in charge of products’ distribution into coping with an improvement of quality, according to the study.
Profile of Joinery Craftsman Matsugoro

“Matugoro with his arms crossed gradually changed into showing less interest in jobs other than these from key customers. About the time Seijiuro was born, he turned as far as to refusing whatever was requested outside of works for the Mitsubishi’s head family Iwasaki.

It seems that special orders for maintenance and improvement of the mansion house were made to Matugoro.

But different from food, joinery jobs were not necessarily there all the time. Albeit proud of the best finish using guaranteed materials, he spent a hard life.

And yet when he received a large sum of money, Matsugoro put his heart into “plays.” And which was considered to be a proof of being “full-fledged” by craftsmen and townsmen who gotten ahead in those days. There was a licensed quarter in Nezu in vicinity of his home, and not quite satisfied with an old-customer status there, he made a little side trip to Yoshiwara when he wanted to play “formally.” He did not visit a nearby sangyo [three kinds of operations of eating houses, high-class restaurants and geisha houses] district in Hakusan. Even in a world of plays, there seemed to be territories, grading established among echelons depending on places. (same as foregoing, p.152)
**Migrant Craftsman**

Record of Takichi Ishi who founded Ishi Iron Factory in 1900

*Gata* come around once a week, or every other day, and different men alternately. An they say to let them work. If I let these guys work, works get ruined, but if I refuse, they get in my hair. So I reluctantly chase them away with a little money. It might not be that these went around workplaces all over Tokyo, but if they receive money they drink sake, play and eat. Out of money, they come around again. Which was the trouble. ... That’s an “extortion.” ... They always stowed a dagger in their inside breast pocket.

(Konosuke Odaka, World of Artisans/World of Factories, Libroport, 1993)

Like this, migrant craftsmen were troublesome to factory owners, whereas the custom of “migrant” was ingenerated based on a way of being for forming skills for craftsmen to polish their skills by going around factories/workshops in various places.
Iron Craftworker Unosuke Nishiyama

Born in 1875, Unosuke joined Osaka iron factory in 1887 as an apprentice; since then he went rolling around by changing factories like Nagata machine factory in 1892 right after a paper factory, Hisamatsu iron factory in 1894, Okuyama iron factory and Okamaoto iron factory in 1895, before his foundation of Nishiyama Iron Factory in 1899.

(Uzo Nishiyama, *Tale of Ajigawa* Nihon Keizai Hyoronsha, 1997)
Miner at Metal Mine

A top executive of a metalliferous mine in Hida in the 10th yr. of Meiji, Kihachiro Bando writes down his viatical trajectory in his autobiography:

Kihachiro was born in the twilight years of shogunate rule, became a digger at Nakatenjyo mine in Ansei Perio when he was nine years old, then a miner in the first year of Ganji and joined Tomoko [full-fledged craftsman] class.

Subsequently he “was led by an urging notion to master truth in mining, overwhelmed by an strong aspiration to travel around famous mines all over the country, experience realities, engage in and study the business of mining,” went on to a long journey since then.

Kihachiro moved in the first year of Keio from Echizen to Ikuno metal mine in Hyogo, spent half year, came back to Gifu, worked at Hatasa metal mine for four years, worked at Senma silver mine in Shiga for three months from 2nd yr. of Meiji, then reached at a metal mine in Hida at the end of that year after metal mines in Mino and Echizen. In the following year, he went rolling through a metal mine in Kaga in Echizen, Kusakura metal mine in Echigo, metal mine in Aizu, to end up working for five years at Shikama metal mine in Hida in 5th yr. of Meiji. Kihachiro compassed metal mines vertically and horizontally all over Japan. His trip, while partly aided by his curiosity, aimed at the learning of technologies and skills for metal mine.

Research in Late-Meiji Period

Comparing miner’s headcounts of new hires and retirees against enrollment during a year, an average of 10 metal mines with 2000-or-more miners accounted in excess of 70%, and that of 106 metal mines in whole of the country including ones smaller than these scored two thirds approximately.

At Mitsubishi Nagasaki Shipyard during 1898 through 1902, the number of workers equivalent to 60 – 80% of those enrolled were either new hires or retirees per annum.

A survey on years of continuous employment conducted in 1901 at 10 factories across the country, including Shibaura Engineering Works and Osaka Iron Factory, revealed that the number of workers enrolled less than a year accounted for 50–70%.


Haruhito Takeda
Labor-Management Relations and Discipline of Labor

Manufacturing premise of NSK Ltd. in its initiation period

Wages of those days were on a unit-cost-contract system, and its unit was decided by foremen, whose way of setting it was often questionable. Hailed from the naval arsenal, while the majority of goods were the naval-order entries with the prescribed standard for price estimates, they set prices randomly such as demanding for premium on processing fees for thin-model stuff, and which were quite expensive. As they intrigued with others closely together, there was no way to hold out against them. Further, the majority of workpeople were artisans back in the naval-arsenal days with confidence in their skills, who worked with the so-called “skills” in the spirit of craftsmen using home-made machines copied from ones imported.

(Konosuke Odaka, World of Artisans/WORLD of Factories, Libroport, 1993, p.158)

Haruhito Takeda
Seiko Corp.’s Factory in Study by Eisuke Daito

After the Great Kanto Earthquake, in the assembling process of pocket and wrist watches, the taskmaster-contract system that was deep in color up to then faded away along with progress in the parts-processing technology. Up to that time, “the assembly work venue had a strong artisan spirit as did the handicraft factory,” “and there, apprentices in the beginning solely ran errands and received no training in artifice/ expertise.” Taskmasters “never tried to teach anything until they weighed up that a certain apprentice would make something of himself. As for a way of training in the job, there was no particular systematized sequence, and apprentices almost snitched skills to acquire them.”
Watch Manufacture of Seiko Corp. (Mid-Taisho Period)

However, when a relocation to the new factory was completed in 1928, the organizational structure of work crews was changed, and footsteps of a mass production system by the compatible-parts method came up to the surface.

With that, artisanal human relations between taskmasters and apprentices broke up, and at the same time, the pure piecework payment was abolished and the system of daily wage, plus commission, was employed. Namely, a standard workload was set and an extra money was paid against an extra production quantity.

Furthermore, in the early period of Showa when the mass production started, in the engineering-works department in charge of design, design engineers—college graduates without production expertise—and assembly artisans—with experimental proficiency but with scarce theoretical comprehension—were paired together to develop new products, which resulted in devising a method to “produce in large quantities and dispatch them only in the situation free from mistakes by working over and over again until things turned out completely OK.”

(Konosuke Odaka, World of Artisans/World of Factories, Libroport, 1993, p.151)
World of craftsmen as the origin of “job-site principle”

Odaka who has introduced the study by Daito points out with respect to these changes in Seiko Corp.’s factory that “a close cooperative relationship between technology and expertise which in later years has come to be referred to as ‘job-site principle’ had roots here already.”

Because they are proud of their own job/labor, and because they believe that being capable workmen—more than simply hard workers—can earn a high appraisal in Japanese societies, they proactively enter into the picture when doors are open for their participation. Definitely it is not that they are caught up in works because they are defective human beings having lost their goals in life. And in light of artisanal proficiency that could be observed in traditional societies around the world, under no circumstances can such style of working, way of capturing labor be considered to be peculiar to Japan.

Haruhito Takeda
3 Advancement in Life and White-Collar

Long process of selection

- Development of human resources in Mitsui family
  –– Formation and Succession of Internal Labor Market
    (Akiko Chimoto, Formation and Succession of Internal Labor Market, included in foregoing
     Formation and Development of Japanese-Style Management)
  * Acquisition of specialized knowledge through OJT
  * Employment restriction of Kabunakama

Mitsui’s case
Prototype of hiring system was formulated around 1710 when Omotokata was established.
Hiring

Indented apprentices were hired en bloc either in Kyoto or Matsuzaka, who were staffed in Edo and Osaka.

“In the period of business inauguration, it was difficult to procure servants at such shops away from the head house as Edo store; but since hiring came to be conducted in pool in the hometown of the head house, it became possible to source them under a clear-cut hiring policy and standard. And such centralization of employment control developed into a foundation to establish an overall system to manage apprentices including assignment, training, promotion and retirement.”

Hiring procedure

① The hiring step for children was to allow a probation for 15 days before a formal employment, and if hired, an indenture was issued for each setting 10 years as a general rule.

② In normal cases, the age bracket for hiring was 11–13, and in later years, only those who acquired necessary expertise within a given period of time were promoted, and others were shaken out.

Method of selection

① The process named Nobori was operated in conjunction with a system of homecoming to parents as widely practiced among Ise merchants and Omi merchants. Nobori was a custom for an employer to let apprentices go for their homecomings and to call back only those the employer continued to take on. It was a clever form of selection in the sense that apprentices were unclear as to who would become losers when they left their shops.

② In case of Mitsui, there were three times of Nobori in every 7 – 8 years, i.e., First Nobori, Second Nobori and Third Nobori.
Echelon of Duty Positions in Mitsui in 1731


The judgment was made through First *Nobori* on an eligibility to the post of *nakaza*, a position one rank below the last in the above echelon. In the following selection, those on a fast track were to the post of *kumigashira-yaku*, and in the third, the same ones were to that of *shihainin*. As Third *Nobori* came after about 20 years later, it required 20 years of experience to assume *shihainin* and above.
Withdrawal in Mid-Course — Case of Mitsui

Among 49 who entered in Kyoto Draper Shop as trainees for 1722 – 23, those passed the probation and got hired were 34, out of whom ones promoted to the responsible positions of *kamiza* and above were 6.

According to a survey on 291 apprentices who were promoted to responsible positions in Kyoho Period, duty positions at times of their retirement were 60 in *yakugashira*, 95 *kumigashira* and 93 *shihainin*, and the likelihood of promoting up to ranks of commuting *shihainin* and above was only 15%. On the basis of the children who entered the shops at their 12 years old or so, the same possibility accounted only for 5% at the highest.

In Kyoto Draper Shop in 1757, indented apprentices who worked for less than 6 consecutive years were 55%, a majority.

Biographical data of 100 indented apprentices during 1805–40 (according to Shigeaki Yasuoka): 67 entered Kyoto Money Exchange Shop at their 11 to 13 years old being the main age bracket; as for retirement ages, 11 withdrew in their early 10s, 17 in their late 10s, 20 each in their early and late 20s, respectively, and 58 out of 92 left before reaching the age of 30.
Multiple Goals

“Multiple goals depending on apprentices’ capability” (thesis of Chimoto cited in foregoing)

As for indented apprentices cut back in their mid career, the treatment for the case of graceful retirement was “to provide a seed money, permit to use the name of Echigoya and give the noren [curtain with shop name on it] seal. Echigoya’s store name and noren seal were the treasure for doing business independently.” On another front, to encourage a long-term service of capable apprentices, position allowances and reward moneys were provided, and at their retirement after assuming responsible ranks, a seed money according to ranks and the noren seal were given. “Noren seals of various designs were provided depending upon positions retirees were in; Seal engraved with the letter Echi in the circle to those retired in hiratedai position, the curb letter San without circle to those in kamiza up to yakugashira, and the curb letter San in the circle to motojime, myodai, shihainin and the main shop’s kumigashira. (pp. 159–160)

Having a resemblance to this is the present day’s “golden parachuting scheme.”

Haruhito Takeda

History of Japanese Economic Thought 2004
Significance of multiple goals

- Proactive screening in the long-term selection process: Goals on the way for that purpose ← Method to ingenerate only a small number of winners
- To have apprentices keep their motivations high, and to make their life planning possible, a path for supporting themselves was provided, and depending on fruits of their efforts up to then, differences were set in conditions for becoming autonomous.
- In many cases of their independence, their operations were more or less founded on the same *noren and* store name, the sense of unity generated there came to be condensed in the management entity of Mitsui family. For, making an effort during office in order to strengthen Mitsui’s credibility not only directly increased own position and remuneration, but also led to the enhancement of confidence in own business in the future.
- ← Origin of lifetime employment in the present day: Guarantee of a long-term employment including temporary transfer to subsidiary and employment transfer
Meiji’s Youths and Risshin-Shusse [Social Climbing]

- From the screening mechanism by apprenticeship to hiring of college graduates


- “According to books of both China and Japan, ‘Risshin’ only means an acquirement of rank, from thence arises wealth as reward associated with duty.

- At least no samurai and Confucian scholars include there the meaning of accumulation of wealth,” says Kinmonth.

- However, “a Buddhism term ‘Shusse’ —to mean a break away from the secular world aiming at spiritual enlightenment — got atypically combined with ‘Risshin,’” resulting in Risshin-Shusse, which, in Edo era, “turned into bringing up the image of a vulgarian meaning, thus scarcely appeared on the scene of books on morality.” (pp.59-60)

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In Meiji period, “Risshin-Shusse” changed into “a term to be used for those having an ambition for Shusse.” “Because it was necessary for them to leave their homeland villages (to go out of the world) and enter the wide worlds viewed from their own frameworks of Shusse (to go into the world). The latter usage of ‘going into the world’ still exists now, and the term ‘gone into the world’ refers to those having been publicly acknowledged of success, including commercial successes.

Many of young people possessed of an ambition for “Risshin-Shusse” were raised in families of the warrior class and upper-class farmer with higher incomes. In general, to farmers of those days, burden of educational expenses was heavy and youngsters’ power was required as labor for families; there was little hope for Shusse from these poor people. Stated differently, youths to be candidates, looked from place of origin as well, were those having some sort of feeling of superiority.
Analysis of essays contributed to a posting magazine “Eisai Shinshi” [Talent New Magazine] with a circulation of 500,000 copies and an average age of posters at 13 years old:

(2)”While placing the responsibility of success or failure solely in personal behaviors, posters of ‘Eisai Shinshi’ are not individualistic. Reiterating their concerns on position, honor and fame, which were socially recognized successes rather than objective achievements, indicates that they had totally no idea to pursue something at a remove from societies. Thanks to a tradition to justify Risshin [success] as the best configuration of filial piety, Risshin was regarded to be societary and non-individualistic.” (same book, p.73)

Risshin-Shusse as the best form of filial piety = “not steered to whole of society, but limited to the family”

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It was possible for them to widen their career options if social appraisals could have been obtained by success in the business world instead of being limited to the one by becoming bureaucrats.

Atmosphere after the Japanese-Sino War written by Kanzo Uchimura in 1897:

“Make money. Whatever it takes, make money. For, only money constitutes today’s power. Do you all want to become patriots? If so, make money not for yourselves or money’s sake, but for your country, and contribute more. If you wish to be faithful, make money and expand your master’s land. Filial piety is not possible without money. The prosperous country as well as fame starts with money. Morality always exists for money, and honesty is the best means to making money.” (same book, p.147)
Success in Business World

Translation of Andrew Carnegie’s opus *The Empire of Business*

† Insert in booklet *Onset of Business*, Shibusawa Reference Library

*Carnegie, The Empire of Business*

>Pictorial Magazine of Modern 100 Years’ History, Vol. 4: 1873-1879, Kokusai Bunka Jyohosha, 1951, p.270

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Success in Business World

Orison S. Marden’s *Pushing To The Front* –– Which reportedly sold a million copies in Japan; Greater part of which was about “how a youth should gain a successful career as an officegoer in an organization.”

“One must not wait for a higher position and salary. One should broaden one’s own job and introduce own unique way into it as no one else has ever done. One should be quicker, more dynamic, more thorough, and more courteous. One ought to study own job, devise a new method, and to bring a victory for one’s employer.” (same book, p.244)

Professionals Managements who assumed top managements of prevalent corporations

- Domestic staff promoted: 8 out of 39 in 1905
- 247 out of 470 in 1930
- Period of time before promotions to responsible ranks: 20 years in average
Sought-after qualification of those employed

“The young in early Meiji days could expect to become leaders while young, which was reflected in reading materials targeted at them. But, for those in the end of Meiji, in order to assume positions of leaders, it became necessary to perform well for many years by accommodating themselves to demands from their employers’ side. In fact, since employers’ side could recruit desired human resources from among a massive number of young men of good academic backgrounds, the latter without adapting themselves to the former could hardly get jobs or keep them.” (same book, p.295)

Distinction by academic background

Starting salary in Mitsubishi Partnership Co.:

- Imperial universities’ medical/engineering dept.: ¥90
- law/literature dept.: ¥80
- Colleges of commerce: ¥80
- Waseda and Keio: ¥75

← Method of sorting out fresh recruits, which was replaced with distinction by school so as to reduce screening cost thereof

Haruhito Takeda
Starting Salary of Company Worker

Pictorial cut “Probe into Starting Salary of Company Workers “ removed due to copyright restrictions
International Comparison

- Research by Kazuo Koike
  ① Result of a statistical study on seniority-oriented wages and long service shows no significant difference among Japan, Europe and the U.S.,
  ② except for blue color workers,
  ③ and in this regard, a “generally accepted notion” that a long service and seniority-based pay is “Japanese” is founded upon a misunderstanding.

- In his opus *Modern Manors: Welfare Capitalism since the New Deal* (Hokkaido University Press), Stanford M. Jacoby analyzes in detail companies like Kodak, Sears and Thomson Products as ones that laid out welfare-capitalism based corporate management which was accommodative, attaching importance to welfare program.

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International Comparison

Wage comparison of blue-collar workers: Japan vs EC

Diagram 2-1  Comparison of Wages by Age: Japan vs EC
(blue-collar, males, manufacturing industry, 1972, '76)

Japan: Ministry of Labor, *Key Statistical Survey on Wage Structure for 1976*
International Comparison

- Wage comparison of white-collar workers: Japan vs EC

Diagram 2-2  Comparison of Wages by Age: Japan vs EC
(white-collar, males, manufacturing industry, 1972, '76)

Japan: Ministry of Labor, *Key Statistical Survey on Wage Structure for 1976*
International Comparison

Wage comparison by age between Japan and U.S.

Diagram 2-4  Wage Comparison by Age between Japan and U.S. (males)

Note: Jpn in monthly wag, US in annual income

Japan: Ministry of Labor, *Key Statistical Survey on Wage Structure for 1971*
US: Census of Population, 1960
International Comparison

Comparison of continuous service: Japan vs EC

Diagram 3-3 Comparison of Continuous Service: Japan vs EU (ratio of short- and long-service workers, males, 1972, '76, manufacturing industry)

Japan: Ministry of Labor, Key Statistical Survey on Wage Structure for 1976
International Comparison

Comparison of continuous service by age: Japan vs U.K.

Japan: Ministry of Labor, *Key Statistical Survey on Wage Structure for 1976*
International Comparison

Comparison of continuous service by industry: Japan vs Germany

Diagram 3-4 Comparison of Continuous Service: Japan vs Germany (ratio of short- and long-service, males, 1972, ’74, ’78, ’79)

Japan: Ministry of Labor, *Key Statistical Survey on Wage Structure for 1979*

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International Comparison

Comparison of continuous service in ratio of those with short service and ones with long service: Japan vs U.S.

Diagram 3-6 Comparison of Continuous Service: Japan vs U.S. (ratio of those with short and long services, males)

Japan: Key Survey on Employment Structure
U.S.: Job Tenure Survey.

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A series of data indicate that, regarding a way of thinking about “working” that aspires a long-term continuous service, there is a common ground indifferent to borders, and that such is not particularly exceptional to “working in someone’s employment,” a configuration of labor being characteristic to modern times.

And there, it may be highlighted that labor market, getting involved in labor disbursement of subject named human beings, has attributes different from goods which are traded in market for other products and services.

Based on an anthropological research, the following impressive text has been marked down in Poverty and Progress: An Ecological Model of Economic Development by Richard G. Wilkinson: “Working hours of cultivators on slash-and-burn agriculture are ... 500 to 650 per annum in average.”; The changeover to an intensive farming for the sake of economic growth has enhanced land productivity but brought forth a substantial compensation in labor disbursement.
And in *LE TRAVAIL: Une valeur en voie de disparition* by Dominique M'eda, it is pointed out that, among a traditional line of thought in European societies since ancient times, there has been an idea that, looking down on work tasks for life-sustaining, freedom as a citizen could be obtained by being relieved from such work tasks, which ingenerated a concept that “true life is a life of leisure”.

And reportedly it was in the age of Adam Smith that for the first time labor was accepted to be favorable because it produced wealth. This ideology, typically observed in the labor theory of value, turned out admitting labor as the most advanced expression of personal freedom. With that, “exploited” labor in capitalistic management was given a negative image of “being alienated.”

In Japanese societies of pre-modern days, there cannot be found a clear-cut assertion to make slight of labor and deny it for being not intrinsically human. Rather, in recent times amid the term “*Rodo 労働***” getting established as a translation word, Japanese have come to find “*Rodo 労働***” having a negative image in double meanings, haven’t they? Namely, in one sense, it is not a free activity, and the one in recent times “is alienated.”

Haruhito Takeda