

### Attention-gaining management strategies

Lately, many Japanese enterprises have somewhat been able to recover their confidence. The Japanese style of management, which shone in the 1980's, also faded in the 1990's and led many to speculate that there was no future for it, unless companies changed their management practices toward a more American approach. Toyota Motor Corporation saw its rankings lowered by credit rating companies, having announced that it would maintain lifetime employment, a symbol indicating that Japanese management practices are behind the times.

However, structural reforms during the bottom half of the 1990's are beginning to bear fruit. Among those enterprises which met with success in their responses to globalization and digitalization are emerging companies achieving record profits. Many of these firms are forging ahead with management reform, while holding the line against American-style management.

What these firms have in common are managers who realize true achievements in management reform while grasping powerful leadership capabilities. Moreover, these kinds of managers do not avoid problems, but project clear management strategies and fulfill detailed reform plans without hesitation. It is truly the top-down, rather than bottom-up management strategies, which are the ones gaining attention.

### Diversification of labor

The influences of advancing deregulation in various areas have been great in the developing backdrop due to management reorganization. The upgrading of corporate partition law has promoted bold corporate divestitures and mergers, thus accelerating changes in industrial structures. Wide ranging deregulation is moving forward even in labor areas. There are increasing numbers of non-regular employees, including part-time, temporary and contract employees and accelerating diversification in employment patterns.

The diversification of employment patterns is also making effects through the diversification of work. A clear-cut discretionary labor system is expanding due to deregulation of administered labor hours, and the

advancement of the Internet is widening the possibilities of telecommuting. We are being freed from the constraints of fixed clock-in and out times, leaving room for autonomous work to expand.

On the other hand, a merit-based system is spreading where content and performance of work is strictly assessed. Differences in pay scales are increasing as the connection between performance and compensation in short-term work becomes clear where previously vague. We are approaching the verge of departing from the ingrained notion of age-based pay scales.

### Advancement of hierarchization

While it is clear that diversification of labor is advancing and work options are increasing, hierarchization is also advancing as well. The advancement of hierarchization means a social situation in which transitioning to different ways of working will become difficult, as one cannot escape from a specified social tier or group. Transitioning from part-time or temporary employee to permanent employee, or moving from a low-wage earner to a high-wage earner is becoming particularly difficult for the majority of people, even if it is still possible for some.

Furthermore, there are strengthening trends for which skill development and career development are results of individual initiative rather than reliance on the company. In the company-led approach, it is enough for an employee to participate and do their best in the course prepared by the company. In an approach led by an individual person however, one must build and initiate their own plans. Because not many people can do this, there are possibilities that hierarchization will strengthen.

It is true that vitality is enhanced in companies where choice and freedom has increased, but on the other hand it is also true that this strengthens a tendency to discard the weak. How to respond to this freedom and hierarchization are problems for both enterprises and workers. And it is here that government policy can be called upon to prevent hierarchization from going too far.