

Human Resource Management in Japanese Enterprises and the Co-operative Model in Israel

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Summary

In the trend of integration with the World economy, in order to be able to develop rapidly, strongly and sustainably, Vietnamese and other countries' organization and businesses need to have the direction in human resource management. Japan has so far been an economic power, a leading Asian in terms of development level. One of the secrets to creating success for Japanese businesses is the way to manage people in the organization. The authors of this article would like to share the knowledge and experience in human resource management of Japanese enterprises so the organizations and businesses can refer to the process of enterprise development, contribute to the development of the country. In addition, the current article also mentioned the co-operative management model in Israel so far still exists and bring a comfortable and peaceful life for members with great satisfy.

Key words: *human resource management, Kibutz, Moshav, cooperative.*

1. Theoretical basic for determining the content of human resource management

Stemming from the practical requirements of the development of the capitalist mechanical engineering industry, in Europe and the US, in the late 19th century, many famous ideas and theories have been developed. How to best manage human resource in an organizations or enterprises? To answer the question, it is better to review some main content of some theories and typical ideas in this period as follows:

Firstly, the theory of management by scientific method, also known as "Taylor theory", was popularized in the early 20th century. In this theory, all the employees are considered having equal working capacity and they do not want to improve labor productivity for fear of raising their norms.

Employer and foremen must use rigorous inspection, monitoring and threat management policies to force employees to work better. Today's idea is that managing people in a factory or business is knowing exactly what manager wants other to do and then understanding how to work best with the cheapest.

It consists of four basic points: (1) investigating work and find the reasonable manipulation; (2) selecting and training workers scientifically; (3) close relationship between the employer and employees; (4) assign equally the beneficial work for both the workers and managers. Currently Taylor's method was popularized in American and European industrial

enterprises in the early part of the 20th century. This theory still applies today, but its role and personality value of workers is more properly evaluated.

Different from Taylor's scientific management theory, which emphasizes in-depth analysis of workers' activities in each job position, administrative theory with delegate Herry Fayol (1841-1925) emphasized the management of workers from an administrative management perspective. Fayol addresses five basic functions of administrative management: prediction and planning; organization; control; coordination and inspection.

Fayol outlined the effectiveness of management and the 14 principles of people management in the business such as thoughtful planning and serious implementation plan; the organization must be compatible with the objectives, interest and requirements of the enterprise; the governing body must be unique, competent and active. Harmoniously combine activities in the factory with coordinated effort; the decisions made must be clear; definitive and accurate.

Organizing the recruitment of good employees, each department must have a head, each employee must be placed that can serve their abilities. The task must be clearly defined, encouraging creativity and sense of responsibility of everyone in the factory with appropriate compensation for completed work. Mistakes and imperfections must be punished, must maintain discipline, must check everything. By Fayol's view, managers must treat their employees well, and signed the labor agreement with them. He also paid attention to senior managers, requiring them to have enough talent and virtue; emphasizing the role of education and training, format and systematic training of managers. In practice, managers in Europe are very fond of Fayol's theory.

It can be said that the managerial ideas of Taylor and Fayol above are too emphasized and want to turn the working people like a rigid machine, so they only follow the control commands of the manager. Overcoming this disadvantage, the humanistic school in management, represented by Mary Parker Follet and Elton Mayo (1930), emphasizes the adequate attention to human psychology, collective psychology and atmosphere in organizations and businesses.

According to Mary Parker Follet (1868-1993), attention to the psychological and social aspects of management must be appreciated. Follet gave the rules of situation, orders given by the situation. Follet emphasized that management needs to pay attention to the entire economic, spiritual and emotional life of the workers. Follet also values the cooperation and unity between employees and management to develop good human relationships, considering its resource to increase productivity and labor efficiency.

Relating to Elton Mayor's ideology (1880-1949), it is the result of empirical studies on human behavior and their relationship to the management in business. He found that creating and maintaining good relationships among team members, managers and employees was the

most important factor to increase labor productivity. Mayor's limitation was to ignore the theory and to emphasize empirical methods only.

Entering the 1950s of the 20th century, there were two successive schools: Theory of *organization in management* with the representatives, Max Weber and Chester Barnard; and *Theory of behavior* (represented by G.B Watson). Chester Barnard (1886-1961) developed the organization theory in the spirit of humanitarianism with the desire to promote the perfect development of individuals and system theory. Barnard's basic organizational concept is to build management systems in the business. Barnard argues that it is necessary to find the organic links between the components of an organization: readiness for cooperation, common purpose and information, Barnard also delves into decision-making, leadership, and ethics... In such activities, people pay attention not only to economic, technical and professional factors but also to the ethical and spiritual factors of the organization.

Weber's ideology is very close to the Fayol ideology of administration expressed through the management requirements of rules and procedures, strict selection of people. However, the highlight of Weber's progress is to further concretize the ideologies of human relations in management that are the regime of salary, bonus, promotion of staff reasonably centrifugal levers for the workers to increase productivity.

In studying Marxist theory regard to the organization of labor management in business organizations, Marxist, the father of Marxist theory of the Capitalism, analyzed the capitalist's leadership as objectively necessary. Marx always emphasized that the managerial labor force in business is also the target of capitalism and goes into the deep analysis of the duality of the managerial-labor in order to prove class characteristic and the nature of exploitation in this relationship.

From the second half of the 20th century, a new series of ideas appeared. First of all, the modern and cultural management ideology and representative of the Z theory (1981) of Wiliam Ouchi have discovered and affirmed the cultural factors in management activities, especially the relationship between management and labor. Due to the fact that a group of people becomes an organization when they work together to achieve common goals, so the exchange of information becomes important.

An effective organization is one that succeeds in bringing people together by accepting that working together to achieve organization goals also helps them to achieve individual goals through leadership and motivate. In addition, the point of view of David Guest (1987) is that human resource management has three basic goals: (1) integrating human resource management into a common organizational strategy; (2) human resource management ensures a commitment to work through building sustainable corporate culture; (3) to achieve management flexibility and adaptability.

It needs a change and innovation in correspondence with the rapid changes from the influence of globalization trends and the strong development of the information technology revolution in recent times.

There are also a number of other ideas, but they can be seen in the second half of the 20th century for manager ideas aimed at the following basic contents:

Firstly, effective human resource management seeks to link human resource management issues with the organization's overall strategy; *secondly*, building a sustainable corporate culture as a mean of promoting the organization's specific objectives according to the inherent traditional character; *thirdly* in an effective human resource management model, human attitude is a variable cost that has been replaced by a human view that it is a resource and as a social capital can be developed and can contribute to competitive advantage; *fourthly*, the view that the interests of the workers and managers or the company's stockholders are contradictory and may conflict is true in the past and needs changes in the present and the future; *fifthly*, from top to bottom and bottom-up information sharing opens the way for people to understand goals and work throughout the company; *sixthly*, in some organizations always affected by technological change requires positive cooperation attitude of workers by emphasizing the ability to communicate information and solidarity of responsibility.

Above is a look at some of the classical management ideas from the first half of the 20th century. Vietnam is a country with a proud history of building and defending the country and re-integrating with the economy. The world economy aims to build a prosperous and humane society with the philosophy of developing the country to build a society of rich people, strong country, a just and civilized society. With that trend in mind, reference to management models of organizations around the world is essential.

The next section of the article will discuss some of the experiences that Vietnamese organizations and business can refer:

2. Human resource management in Japanese enterprises

To understand the human resource management in Japanese enterprises, it is necessary to review the social foundation that forms Japanese labor management style. It is often said that Japan is famous for being an organization centered around groups and not as heavy on individualism as in Western countries. Confucianism with an emphasis on age and rank greatly influenced the Japanese social value system.

In terms of social structure: the classes that took the form of Western-style thinking did not develop in Japan and in society, there was no formidable difference like between emperor and a commune bottom slave. There is no discrimination and fight to destroy between the different religious as Western countries.

Regarding the characteristics of the Japanese people: they think that the nuclear structure of Japanese society is family - very stable, long lasting, with community or teamwork

and obedience in an order. This characteristic has a great influence on character creation in management decision-making behaviors in Japanese society.

Regarding the process of agricultural production development: the process of agricultural production development was one of the economic foundation of the current Japanese labor management practices. This process creates the following characteristics of management behavior:

- . *Rice growing work:* an effort of the whole group creates the foundation for the management style of the organization which include the working groups with high level of cooperation.
- . *No direction for intensive division of labor in agriculture is the basic for the management and use of versatile human resources.* Japanese companies use the method of using versatile people instead of experts in the narrow field.
- . *Stability and repeatability* – a key feature of Japanese farmers’ rice farming – create a quality of patience among workers.
- . *The mimicry of agricultural production* is the basic of Japanese thinking in management. Understanding this trait may explain why Japan has always been accuses of being a “good copycat” of someone’s technology.
- . *Innovative and adaptive situation:* the legacy inherited from rice production is the foundation for Japanese companies’ business flexibility. Japan is a very difficult country in terms of natural conditions in agriculture, but with diligence to copy modern technology in accordance with the circumstances that brought a modern agriculture to the country.
- . *The un-strong role of individual leadership in the organization of ancient agricultural production but promotes collective leadership.* All production activities in rural Japan can be run through a village consensus without individual leadership.

All of the above characteristics have greatly influenced the management style of Japanese organizations and businesses in the future and are expressed through specific management contents of Japan as follows:

3. Main content of human resource management model (HRM) in Japanese enterprises.

a. Traditional characteristics of human resource management model in Japanese enterprises (1953-1990 period).

Traditional Japanese HRM model emphasizes recruiting and employing lifelong employers to create a stable, engaged and loyal mentality. Therefore, many articles have been written about the management model in Japan as “each company is a family and “Japan is a company”, and they are reflected in the following contents:

- Attracting human resource for enterprises: Most Japanese enterprises attract two types of labor, that is regular labor and other labor. Regular labor are the labors who

receive directly from university or high school and intend to work for the company for life. Other labors are temporary or foreign labors.

- The concept and process of recruiting workers in Japanese enterprises: for long term workers, leaders in any Japanese company are aware that the workers or the existing workforce is one of the company's most important assets so they need to recruit people who will have something in common towards building a corporate family community. For informal workers: this is an important additional source of manpower under special conditions so the selection is simpler and more flexible.
- Training and developing staff capacity in enterprises: Japanese enterprises often apply training methods inside and outside the company.
- Salary for employees: long service and education level is the basis for determining salary according to the lifelong working system. Starting salaries are completely standardized for entry-level workers. However, in reality, the payment of wages will be combined with a range of complementary factors such as the negotiating role of the union, personal needs, job requirements.
- Payment of retirement pensions: Japanese companies often pay workers who reach the legal retirement age (60 years) a large lump sum to enable them to run small businesses or other works, usually associated with the place where he/she staying. Total pension is a function of the length of time worked and the last salary the recipient receives when he or she retires. The issue of pensions is clearly started in the Japanese government's "pension guarantee for Japanese workers" law.

b. Major change trends in the content of human resource management in Japanese enterprises from 1990 to present.

There is a rift in the concept of "lifelong employment". When the company fell into a severe recession, some businesses had to leave because of bankruptcy, so businesses had to restructure according to shortened direction. For the first time, a number of companies have cut back on traditional work to reduce their organizational structure to suit the new situation. Still, many Japanese companies continue to hold on to the tradition of making sure long - term employment commitments for full-time workers will be more selective.

No change in the traditional way of recruiting, but the market factor has been emphasized: entering the 1990s, with the economic difficulties, many companies have different recruitment strategies but they still cling to keep the traditional way of recruiting to work for whole life for businesses in the following way: (1) direct channels from universities are maintain to ensure a regular workforce for medium-sized companies; (2) market channels to attract non-formal labor. The role of promotion in seniority is increasingly being downgraded: although the promotion element for senior people is not focused, senior in the company always get respect from young people and protected by a lifetime employment system.

- Building a better socio-economic model in labor and management: Japan chooses the path of personal respect and social solidarity.
- The state promulgates policies and measures to implement “ensuring general employment for workers” from the view of globalization.
- Minimum wage policy review: the minimum wage must be set up in two new forms of hourly and daily pay. These are the basic contents of the human resource management regime in Japanese businesses that Vietnamese businesses can refer to.

An other model we would like to introduce is the management model of cooperatives in Israel, the only place in the world that applies the principle of Communism.

4. A model of co-operative management style in Israel.

Israel, the home of the Bible and historic Jewish homeland, is located in the Middle East, along the East Coast of the Mediterranean, and is part of a continental bridge that connects three continents: Asia, Africa and Europe. It is here that the Jews developed their unique culture and religion about 4,000 years ago. In the journey to the land of history forming the largest religious lineages of humanity is Judaism, Christianity and Islam and makes Jerusalem city becomes an attractive place for tourists from everywhere in the world. Up to now, some scholars have realized that the portrait of Communism has existed and developed in this country. That is the model Kibbutz and Moshav.

According to statistics in 2010, Israel had 270 kibbutz and contributed 9% of industrial output and 40% of national agricultural output. Kibbutz operates according to the communist model, it means working according to labor’s ability and earning by demand-driven, it is a variant model of the socialist model as defined by K.Marx.

The oldest Kibbutz model was born in 1949 and has survived so far. Kibbutz architecture in a circle, the center is the public focus. Radiating from the center are households, each household is divide with 4.5 ha of land. The center is surrounded by houses, behind is cultivated land or animal husbandry. The Kibbutz leader consists of a 21 – person council elected by all members over the age of 18. The Council elects a chair for a term of four years, responsible for coordinating all activities during that 4-year term. Currently there are 490 Kibburz and Moshav throughout Israel. In Kibbutz not allowed to hire workers, no boss and servant regime. All members’ salaries are all paid to Kibbutz to contribute to the joint activities. Even members of the National Assembly have high salaries but still have to contribute to the community. The people of Kibbutz are taken care of in all respects since his/her was born. Kibbutz will take care the needs of the communities from dressing to travelling. The canteen offers two meals a day for all members on a bufe style. Dinner will be taken care of by families at home. Those who need to go far can get Kibbutz’s car, fill up gasoline for free and run. Children reach the age of

care will be looked after in daycare centers and schools inside the community. The households' clothes are marked and have a centralized laundry section which is then returned to those households after cleaned. When families' member pass away, that family is also helped by Kibbutz. There is a milk factory in the village. Unused surplus product from the factory will be sold and equally distributed to the households.

Previously, Kibbutz children slept in the nursery, later the policy of separation issued and they can sleep with the family. All the goods in the village store are not for sale, who needs anything can automatically to pick up. The economic activities of Kibbutz is very good so the excess amount has been invested in the construction of a large water park for the community and a hotel for tourists. *"It's great here, and more than anything else, all are very friendly and safe, peace and happiness"* is the word of the people living in Kibbutz when talking about their lives.

Besides, Israel also exists a similar model called Moshav. Moshav diverged from Kibbutz, allowing for some private ownership of the means of production. Moshav is a complex form of Israel's cooperative organization, consisting of five components:

First, this is a comprehensive collective of fifteen aspects: credit and savings, accounting, retirement, insurance, input materials, production, irrigation, stockpiling, product handling, marketing, consumption, construction, housing, transportation, and engineering services.

Second, every Moshav is associated with a certain village and every villager is a member. Therefore, the identity of Moshav is also the identity of a village and the entire community.

Third, Moshav provides comprehensive services needed for the community, including education, religion, culture, social activities, youth movements, sports, health care, parks, garbage disposal, waste solving, public light, roads, and utilities for the elderly. The village chief who is responsible for providing these community services is also the director's co-operative.

Fourth, community members must voluntarily live in Moshav and participate in its activities, work hard. However, each individual chooses his or her own way of working in every aspect of work: doing what they find to be most appropriate for their abilities.

Fifth, Moshav members share responsibility and support each other, especially when there are difficulties. The sharing of responsibilities among members allows the operation of a cooperative credit mechanism, in which members take part in borrowing credits and share payment obligations.

Conclusion

Vietnam and other countries is currently integrating more and more deeply into the World economy and incorporating many different types of culture, organizations, and leadership methods, even opposing each other. In that situation, finding the best and most effective management method is currently a difficult problem for organizations. Hopefully this paper brings a humanistic perspective and towards sustainable development, the author summarizes the classical ideas of Japanese business managers and management models along with the co-

operation of Israel society to help the businesses and organizations have more references and follow the development track of the country.

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