

# *Merits and Demerits of the Gendered Business Society*

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## **Preface**

Business Administration was born from the end of the 19th century to the beginning of the 20th century in the process of taking the notions of capital movement (assets) and transferring it to management of organizations.

The global economic activities of the following century, which emphasized the mass production and the improvement in income (mass consumption) have resulted in negative points with issues of environmental destruction.

The new century is facing these negative aspects of the economic activities by forming a new paradigm that moves away from the needs of the producers toward the needs of the consumers (citizens). This moves management from simple questions of cost management to the need to accurately perceive the needs of society to create new values. For Japan, I will suggest that this means addressing the notion ‘gendered business society’.

In order to address that notion, I will first discuss the relationship between Capitalism and gender discrimination, followed by which will attempt to relate Capitalism to, and followed by a discussion of the evolution of gender roles and changing attitude towards them in the workplace and go on to suggest a ‘Work-Home Society’ model that would

aim at restoring a balance between the workplace and home.

## I. Capitalism and Gender Discrimination

### 1. Human nature and Economic Structures

- (1) As long as human-beings are social creatures (animals), they cannot survive alone. This causes the eternal ambivalence between freedom and social constraints surrounding their social lives. In this sense, human nature has two phases---sociality and animality.

Sociality or cooperativeness among people is the essential to make an organization, whereas without animality or self-interest, one could not have enjoyed any kinds of exchange at the market.

- (2) Four Types of Economic Structures

As shown in the Figure 1, referring to the human nature, we can get four types of economic structures which are derived either from stressing self-interest (market) or cooperativeness (organization).

Among them, Japan seems to belong to category of Organizational Capitalism. ‘Restructuring’ and the adoption of market principles into this country, which have recently been spearheaded by Prime Minister Koizumi, seem to me to move toward Market Oriented Capitalism. In view of human nature, however, the well balanced Economic Structure requires a balance between self-interest and cooperativeness. In this

		State/Market	
Enterprise Orgn.		Self-Interest	Cooperativeness
	Self-Interest	Market-Oriented Capitalism	Market-Oriented Socialism
	Cooperativeness	Organizational Capitalism	Organizational Socialism

**Figure 1. Four Types of Economic Systems**

sense the recent Japanese evolution should be limited within the system of Organizational Capitalism.

Supposedly, Market Oriented Capitalism correspond to U.S.A, Organizational Socialism, to Soviet Russia, whereas Market Oriented Socialism to China at the time between 1979, when Deng Xiaoping restored his sovereign status and 1992, when the declaration of 'Socialistic Market Economy' Line was held at the 14<sup>th</sup> Chinese National Peoples' Congress.

## **2. Labor and Sexuality**

### **(1) Capitalism and Gender**

Before Capitalism, there was a household community in which a typical working style had kept the continuity between in-house and the outside work. As the development of Capitalism, characterized by the development of an 'exchange of commodity (including labor power)' system, the discontinuity between in-house work and outside productive labor occurred. Accordingly, after the establishment of 'abstract and general labor' in market, productive labor was conceived as a social- rational- civilized 'public matter'.

On the contrary, the housework and reproductive in-house activities became to be thought as a sexual and private matter. This phenomenon deserves to be conceived as a separation between labor and sexuality.

In short, historically and logically, Capitalism has always required social and productive 'male' workers who constantly could supply stable and continuous labor power as a commodity, expected to be productively consumed.

In Japan, through the era of highly economic growth, the role distinction based on sex has been embedded both in workplace and household.

This economic-based society deserves to be called a ‘gendered business society’.

## II. Japanese Style of Management and Gender

### 1. Today’s female workers

#### (1) World Trend

There are two main world-wide streams which seem to be aimed at the empowerment of female workers. One stream started in 1975, when the ‘Mexico Declaration’ was announced. The other is surrounded by the International Labor Standards Law, in particular, the stream which has started from CEDAW (Convention of the Elimination of All Discrimination against Women) settled at the 34<sup>th</sup> United Nation in 1979.

As the fact shows that Japan ratified the CEDAW in 1980, Japan has not remained unconcerned to these streams. Actually, however, the Basic Law on Gender Equality in this country was settled in 1999, when almost 20 years have already passed. It seems to me that the empowerment activity of female workers in this country has started and unwillingly been compelled under the pressure of the voice from abroad. Therefore, a critical question whether the Japanese have spontaneously tackled this issue to overcome any kinds of sexual discriminations as the CEDAW shows, remains.

#### (2) Domestic Situation

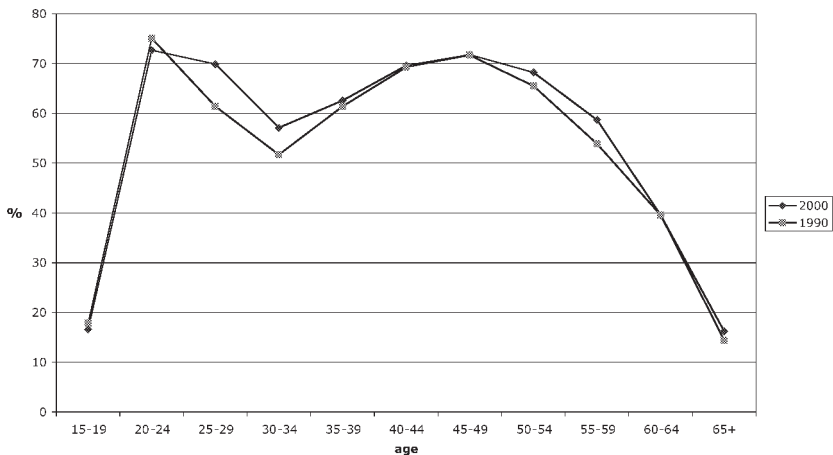
1. According to the White Paper on Gender Equality in 2000, the ratio of the female workers to the total was 41.0% in 2003. The rate of labor power (the rate of working people over the age of 15) was 60.8%, which showed the faster pace of decrease than the forecast (62.6%) of Ministry of Labor in the year of 2000. (Table 1.)

Labor power forecast					
Year		1990	1999	2005	2010
Rate of labor power	M&F	61.3%	62.9%	62.6%	61.6%
	F	50.1%	49.6%	49.2%	48.6%
Working population	M&F	6384	6779	6856	6736
	F	2593	2755	2775	2744

**Table 1. Ministry of labor's rate of labor power forecast**

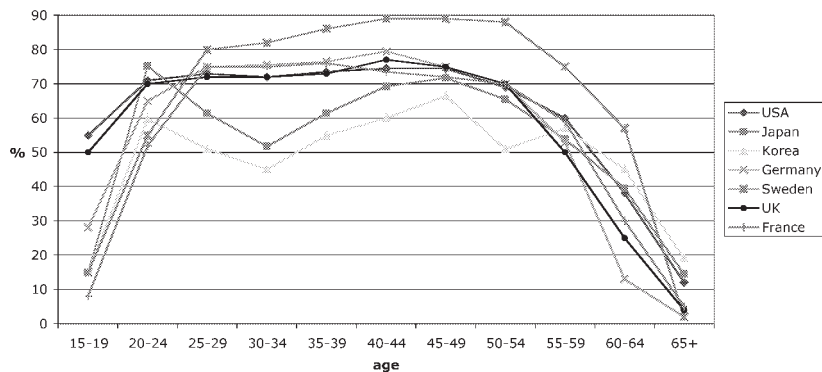
Source: 'Basic Policy for the Equal Employment Opportunity Program 2000'

- Figure 2 and Figure 3 show so-called letter 'M curve' referring to the rate of Japanese female labor power classified by age. Sudden fall of the percentage between the age of 30 and 34 shows the urgent need to establish a support system of compatibility between workplace and household.



**Figure 2. Rate of Japanese female labor power classified by age**

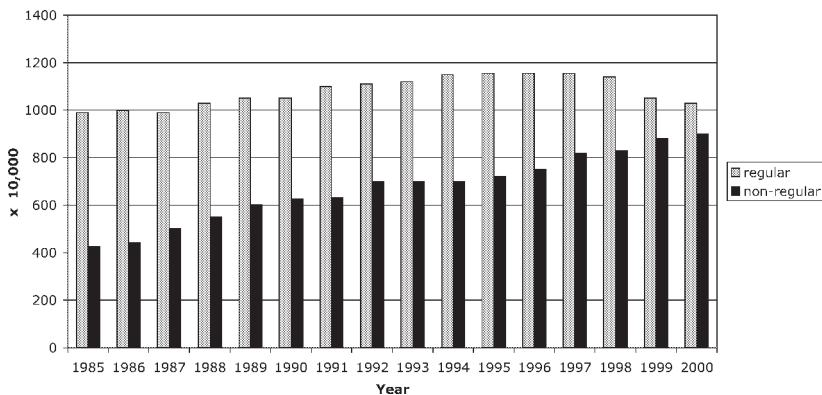
Source: 'Labor Force Survey', Statistics Bureau: Ministry of International Affairs and Communications



Note: USA age 16-19

**Figure 3. Rate of female labor power classified by age among developed Countries**

Source: USA, Japan, Korea: ILO 'Yearbook of Labor Statistics 1999'  
 Germany, Sweden, UK and France: EU: Eurostat 'Labor Force Survey Result 1997'

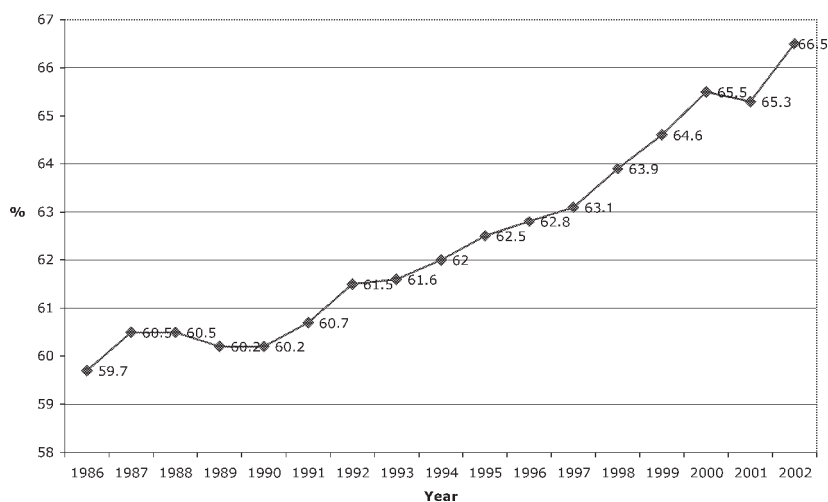


**Figure 4. Number of regular and non-regular female employees**

Source: 'Labor Force Survey' by Statistics Bureau: Ministry of International Affairs and Communication

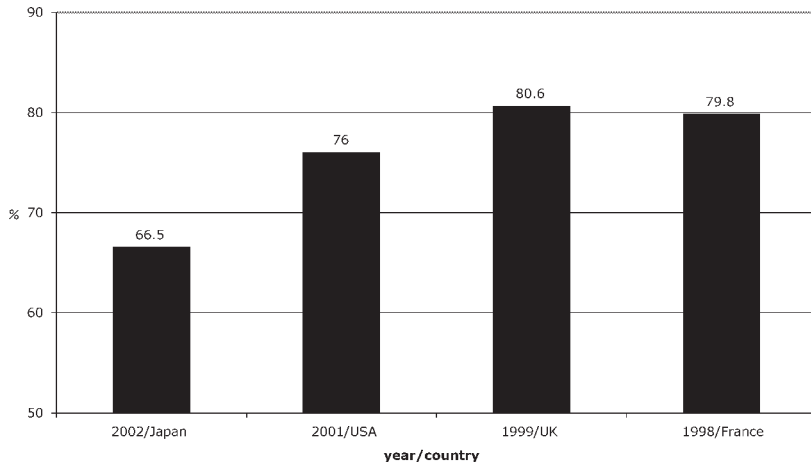
Figure 4 shows the recent trend that the numbers of regular and non-regular female workers in this country are converging.

3. Figure 5 shows the wage discrepancy between male and female general (excluded part-time workers) employees in these 17 years. Figure 6. is the international comparison at the moment around the year 2000. Indeed, since the year 1999, when some legal arrangements related to the equal employment opportunity law were implemented, the differential rate has been improved, but as the Figure 5 shows the leeway to be improved is still profound.



**Figure 5. Wage differential between male and female general employees**

Source: 'Basic Survey Statistics on Wage Structure' (2000): Ministry of Health, Labor and Welfare



**Figure 6. International comparison of male-female wage differential**

Source: 'Basic Survey Statistics on Wage Structure' (2000): Ministry of Health, Labor and Welfare; USA: 'Employment and Earnings (2001) Labor Department; UK, France: ILO 'Yearbook of Labor Statistics' (2002)

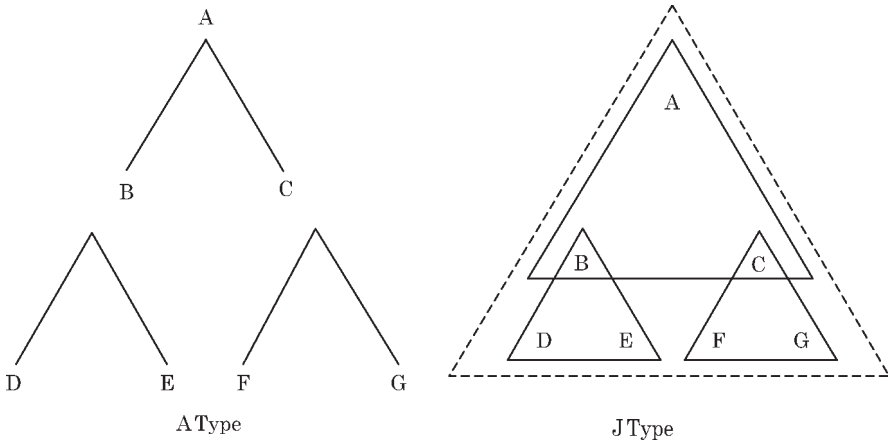
## 2. Japanese style of management and gender discrimination

### (1) Mosaic-like organization and monolithic organization

Two types of organization symbolized in Figure 7 is made on the assumption that A Type mosaic-like organization is that of a type of Market Oriented Capitalism like U.S.A. and J Type monolithic organization is that of Organizational Capitalism like Japan. The biggest differences between two are as follows.

1. In the A Type organization, symbols A, B, C..., indicate 'job' or 'function', whereas in the J Type organization, they represent 'people'. Thus, A Type organization is symbolized as a job based system, and that of J Type is a human group.
2. Labor market structures on which these two types of organization depend are different. In the A Type organization, if we take an





**Figure 7. Mosaic-like organization and Monolithic organization**

example of C who has failed in his work and unqualified, another individual will be employed as C from the horizontal and open market. In the J Type system, after the graduation-snatching style of adoption, under a vertical in-house labor market, F and G are proposed to have a complementary relationship within a group C, F, G.

3. From the view point of management style, A Type has an organization= tool view, whereas J Type has an organization= cooperative view. For the mosaic-like organization (A Type), to attain its organizational goal, each person in charge of a certain functional role should be well controlled. In a monolithic organization (J Type), consensus of each participant is essential in terms flexibility. Thus A Type organizations are managed by control, whereas J Type organizations are managed through consensus.
- (2) Merits and demerits of a monolithic organization
- In this way, as the dotted triangle line shows, the Japanese company

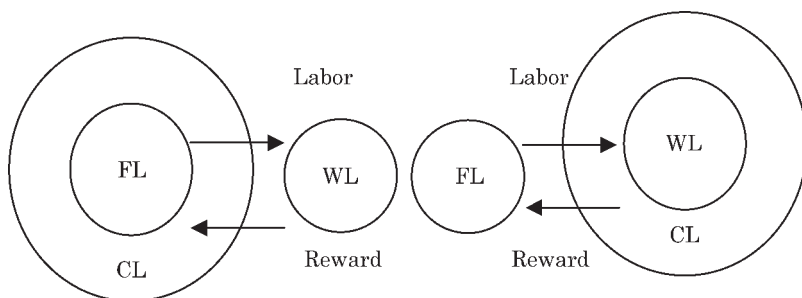
is integrated under the concept of ‘family’ analogy...a superincumbent household system. In Japan, J Type organization has enjoyed family analogical company system in which employees are supposed to stay long and trained through long term experiences. Multi-functional workers, OJT (On the Job Training), seniority based wage system which are thought as the main characteristic features of the Japanese Management System have been entrenched, especially through the era of high economic growth.

Furthermore, we cannot deny the fact that this system could only have been maintained under the condition of the occupation of main jobs by male regular employees, whereas female workers who are likely to leave at least for a while because of pregnancy, childbirth, child raising, elderly care etc. were excluded from the main arena of the business stage.

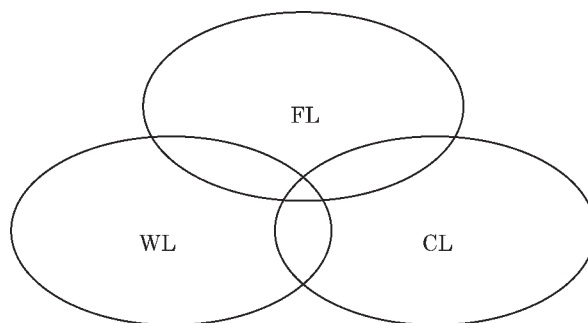
Needless to say, the gendered business society has contributed not only to the attainment of efficient productivity, but to the organizational cohesiveness which is the essence of the maintenance of competitiveness. The productivity and cohesiveness of an organization might be the ‘merits’ of the gendered business society, as one side of a coin.

On the other hand, as shown in the Figure 8, when we broaden our views towards the relation between ‘Business and Society’, we cannot overlook the faults which both types of society inevitably contain from the view point of well-balanced model of working life, family life and community life. (Figure 9)

Under A Type of life style, the separation of spiritual life at FL(Family Life) and business life at WL(Working Life) is inevitable, while J Type of Life Style could only be maintained at the cost of



**Figure 8. Two types of imbalance: Working Life(WL), Family Life(FL) and Community Life(CL)**



**Figure 9. Working Life(WL), Family Life(FL) and Community Life(CL): Well- balanced 'Work-Life' model**

family ties.

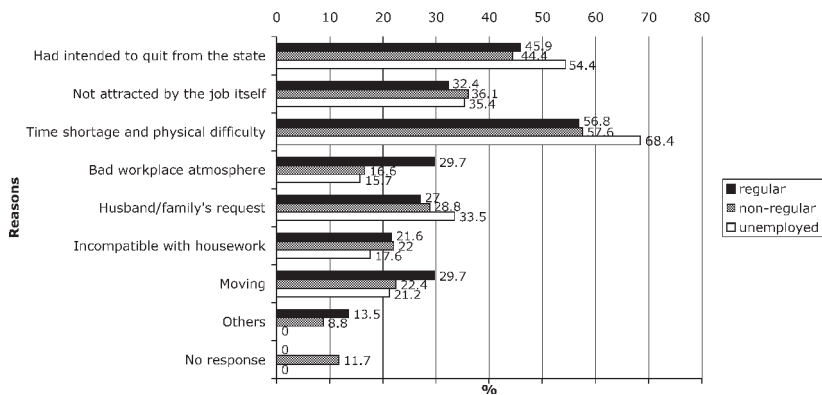
- (3) Reasons to quit job and the change of consciousness of females toward job

As shown in Table 2, since 1984, the consciousness of Japanese females towards job has been constantly changing from the idea of 'retirement after marriage' to the continuation of job even after child-birth.

		1984	1987	1992	1995	2000
Total	Prefer not to find a job	6.1	3.4	2.8	4.1	3.9
	Prefer to get employment until marriage	11.1	10.2	10.8	7.4	6.9
	Prefer to get employment untill childbirth	10.6	11.3	11.1	10.8	9.4
	Prefer to get employment again after child has grown	45.3	51.9	45.4	39.8	39.8
	Prefer to keep working after childbirth	20.1	16.1	26.3	32.5	34.4
	Others	—	—	1.3	2.4	2.4
	No idea	6.9	7.0	2.3	2.9	3.3

**Table 2. Inclination and reasons to take employment (female)**

Source: 'Public Survey on Gender-Equal Society', Prime Minister's Office



**Figure 10. Reasons to quit at the time of marriage, childbirth and childcare**

Source: 'Questionnaire on Women and Work', The Japan Institute of Labor (1996)

However, as the Figure 10 shows, there are various kinds of reasons for those who leave work at the time of marriage, childbirth and childcare. Those reasons such as ‘time shortage and physical difficulty’, ‘husband and family’s request’, and ‘incompatibility with housework’, necessarily lead our attention to the hope for a realization of a well-balanced society among working life, family life and community life in this country.

### **Concluding Remarks**

Finally, I would like to refer to some conditions for the attainment of a new well-balanced society. Besides the promotion of the government’s current efforts in terms of legal administrative devices to the compatibility of work and household, a revolution in the consciousness of management and male workers’ sides is essential. For the attainment of this purpose, they should:

1. Not force female workers to the present highly esteemed but harsh position of male regular workers (ex. The case of abolishment of so-called ‘Protection Law for Female Workers’ enacted in 1999).
2. Neither, instead, adversely force male workers to the uncomfortable situation of female workers (ex. low wage, unstable employment and deregulation of the regular workers).
3. Lead to a societal rhythm attuned to that of females’ societal and physical conditions in order not to treat the issue of childbirth, child raising and elderly care as the reproduction and care of ‘labor power’, but to treat as the question of the reproduction and cyclical life-patterns of ‘human-beings’.

Since the end of World War II, Japan has thought of family as a place to reproduce ‘labor power’. Its basic idea has been derived from the

enterprise's 'logic of production', which has contributed to strengthen the idea of sexual division of role.

Such socially prevalent ideas which seem to have been the backbone of the gender based and male centered business society, is now expected to be destroyed.

A distinct feature of the 'logic of production' rests in its stress on means-ends conformity, in other words, formal rationality, whereas the 'logic of ordinary people (consumers)' stress the importance of humanity, synthesis and totality of one's activity (works) itself...substantial rationality. For the time being, at the beginning of 21st Century, Capitalistic Economic Society will be developed focusing on a restoration of the balance between one's business life and every day family life.