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Management Education and Research in Japan: Its Current Status and Future Direction*

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I. Perspectives from the past

The beginning was education of merchants to give them practical knowledge of trades. Hitotsubashi was the first school in the nation established more than 100 years ago. There still remains many courses reminiscent of this origin.

As a countermove against too practical and fragmented orientation, there arose major efforts to make business administration or commerce more scientific, theoretical and 'academic'. Japanese scholars were thus attracted to German academics. The surge was about 70 years ago.

The major methodological characteristic of this school was literature research. That is, understanding foreign literature correctly and place them within the academic history of these literature. Small emphasis on empirical study of Japanese business or original theorizing from Japanese experience. Big emphasis on imported literature. These then became the major tradition of academic research in business administration until recently.

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Major shift to American management theory after the war, but with the same literature research orientation. German school still remained strong.

From the late fifties, a boom on management theory and big increase of university programs in this area, with heavy American orientation. Then came the hard times of 'management theory is useless'.

Japanese industries' phenomenal success with a very weak management education and original research by the university sector. Japanese businesses learned about American management and modified them to fit the Japanese situation. No major involvement of Japanese academics. They continued the literature research tradition. The QC circle movement is rather an exception. The academics involved were statisticians and engineers, not management specialists.

Firms placed emphasis on in-house training and outside seminars. Contribution of independent educational institution like Japan Productivity Center rather substantial. Academic community supplied a part of teaching staffs of these non-university efforts.

Then came the age of Japanese management written by foreign, mostly American scholars. Interests on Japanese management surging within Japan, too. Japanese contribution was also beginning finally. In 1975, a key note speech calling for more empirical research publicly voiced by younger generation at the annual convention of Japanese Association for Business Administration.

Management education at the undergraduate level continued with MBA style graduate education almost non-existent. Business community not placing too much value on the curriculum content of undergraduate education. Universities in a sense functioning as screening institutions of the high school graduates.

Things are beginning to change, and how?

II. Current state of management education in Japan

The role of universities rather limited. There is only one American-style MBA program in Japan. Only a handful of post-graduate business education

programs by the universities. Some night programs for the practicing managers and some specialized to train international managers. Most students under corporate sponsorship.

'Special' meaning of undergraduate management education rather doubtful, though many universities have such departments. They have meanings as general undergraduate education with a slight emphasis on business. Firms recruit from social science fields uniformly neither with any special importance nor with negative connotation attached to students specialized in business administration.

Only two major recruiting categories, 'clerical' (literal translation from Japanese) for social and humanities science students and 'technical' for natural science and engineering students. In 'clerical' categories, no further specialization like marketing or accounting or economic analysis at the time of recruitment.

Emphasis on learning by doing and learning by listening and reading, both on the job. New recruits are treated as trainees on the job for the first few years. Rather extensive in-house training programs for them relatively common.

The same emphasis for training to become 'managers'. If the term 'manager' means a person who manages human interaction in a group of people, on-the-job would be most effective with occasional infusion of off-the-job training. No major efforts on in-house formal managerial training programs exist, although many firms have such programs of short duration for various purposes.

Supply of outside services for either performing in-house programs or more public seminars is rather plentiful.

These characteristics have strong relationship with the structure of Japanese labor markets and personnel practices. For example, relative lack of specialization due to formal education, very little demand for MBA education for the young. Direction of causality between labor practices and educational characteristics is very complex.

III. Current state of management research in Japan

Research on the logics behind the international rise of Japanese firms finally taking off in Japan. Interests broader than 'Japanese management' inside the firms. Many research on principles behind Japan's enterprise system.

Economists showing interests in doing research about the firm and industrial organization.

On the managerial side, research by organizational scientists on the innovative practices by the Japanese firms. Or reinterpreting the old practices hitherto considered backward or irrational in light of new logic.

Common characteristics behind these research is that they try to find new theories of firms and management which can explain Japanese experience, theories possibly different from existing orthodoxies in the West. Obviously, they are far from success yet. Many of them focus on information flow in organizations and markets.

These research weak yet in rigorous testing of hypotheses by quantitative data. This is as well at the current state of development. Major focus is on finding interesting hypotheses rather than testing sterile hypotheses by using seemingly 'hard' measurements.

Some new concepts emerging and attracting international attention. For example, network organization by Imai, humanware technology by Shimada, middle up and down management and creation from chaos by Nonaka, response to emergencies as key to shop-floor efficiency and human resource development by Koike, duality principle of centralization of personnel decision and decentralization of operational decision and information flow by Aoki, invisible resources and peoplistic enterprise system by Itami.

Many leading researchers were educated in the US in the 60's and 70's either in the PhD program or as visiting scholars. Those engaged in really interesting research still small in number.

IV. On the future

MBA programs will not be a major force in Japan for many years. Instead, educational institutions to offer programs for self-reflection for experienced managers will increase. This can be called graduate programs and universities will be involved.

Educational programs at all levels focusing on international management, including language training, will increase. This will be major societal needs.

Research trend will continue to more fundamental understanding of Japan's experience. Also research activities will expand both to wider contexts and larger magnitudes. More critical analysis of undesirable aspects of Japanese firms will also increase.

More international interaction will increase in management research. Several major international research centers will be established.

The most critical limiting factor for these development is the number of qualified people capable of teaching and/or research. Their training is the top priority task. Prospect is not that bright yet.

V. Fundamental questions for all of us

On education

Who is most qualified to teach very practical knowledge? Is general-purpose graduate education 'to educate future managers' positively correlated with the nation's economic development? See Germany and Japan after the war and the US in the early 20th century.

On research

What combination of research methodology is productive in many management research? Massive quantitative data orientation really most productive at current state of the arts? Four methodologies of persuasion of 'truthfulness' of

hypotheses

1. Massive data shows it. → statistical
2. Many cases shows it. → case historical
3. Long chain of unfallible logic shows it. → mathematical
4. This conceptual story makes sense logically and fit many fragmentary evidences. → conceptual and narrative.

More generally

What is the proper role of the university sector in management education and research in general? Arsenal of deep knowledge and theory distilled from the practices. Educating the young in learning how to think and how to learn and in speaking the basic business languages. Providing interactive field for practicing managers and academic disciplines. Providing human talents capable of in-house management education programs.