A STUDY OF THE CHANGES TO THE RELATIONSHIPS BETWEEN COMPANY AND EMPLOYEES IN JAPANESE COMPANIES SINCE 1990: A QUALITATIVE META-SYNTHESIS

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A QUALITATIVE META-SYNTHESIS

A Thesis

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Abstract

Beginning in the 1990s, the Japanese economy entered into a prolonged period of alternating low growth and decline, during which Japanese companies began to introduce organizational and policy changes in an attempt to restore their economic performance. This thesis employed the perspective of social exchange to examine how these changes impacted the relationships between company and employees through a meta-synthesis of existing case studies of large Japanese electrical and electronic manufacturers. It was found that the company actions on the whole increased the flexibility of the relationships between company and employees. While one impact of the increased flexibility was to allow greater opportunities for women and to accommodate a greater diversity of individual circumstance, the actions also had the consequence of reducing the overall status of employees and weakening relationships of social exchange.

_______________________, Committee Chair
Ernest L. Cowles, Ph.D.

_______________________
Date
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Chapter 1

STATEMENT OF THE RESEARCH PROBLEM

Since the late 1980s, general sociology textbooks have recognized Japanese companies as representing an approach to the relationships between company and employees that differs in key ways from the traditional Weberian characterization of a bureaucracy and to U.S. companies more generally (McCormick 2007). Specifically, large Japanese companies were noted for offering high employment security, overlap between personal and company life, a lack of job specialization, and collective decision-making (McCormick 2007: 755-757). This view was based on secondary references in organizational textbooks during the 1980s and 1990s to primary research conducted on Japanese companies mainly during the 1950s through the 1970s. Beginning in the 1990s however, the Japanese economy entered an enduring period of alternating negative and low growth, spurring Japanese companies to attempt to introduce various restructuring programs in an effort to restore their performance (Kikkawa 2005). Reports of widespread changes taking place also spurred a new set of research monographs beginning in the early 2000s aiming to determine to what degree and in what ways Japanese companies had actually changed (McCormick 2007).

While each of the research monographs on Japanese companies provide descriptive insight into a particular set of data available to or chosen by the author or authors, as well as their summarizing interpretations, the set of research monographs taken as a whole provide descriptions and interpretations of the cumulative set of data.
Increasingly, researchers are looking for ways to synthesize individual studies in a systematic way in order to achieve a cumulative understanding of the full set of studies taken together (Doyle 2003; Harden and Thomas 2005; Hodson 2004; Weed 2005). In the case of quantitative research in which multiple studies have been conducted using the same basic theoretical framework, meta-analyses provide a way to estimate the average effects of different independent variables on the dependent variable of interest across a large number of studies (Hunter, Schmidt, and Jackson 1982). For qualitative data or when studies make use of a variety of perspectives, qualitative interpretive methods can be used which seek to preserve the insights and contributions offered by each study, while bringing them together to create a new level of synthesis for interpretation (Doyle 2003; Harden and Thomas 2005; Weed 2005).

In the approach of meta-ethnography (Noblit and Hare 1988; Doyle 2003), text from each study is captured based on a set of predetermined topic areas, and then grouped into sub-categories for translation across the studies. The resulting combined set of data is then synthesized through translation into a common language and analyzed through a new interpretive lens.

In order to preserve the perspectives and insights brought from each study, it is necessary to use a common language of a sufficiently fundamental level so that the various interpretations and descriptions of the different studies can be synthesized without significant loss of substance. Social exchange theory, initially proposed by Homans (1958; 1974), views social behavior as an exchange of actions in pursuit of rewards. This general theory of social behavior based on a micro-level of interaction
provides not only a theoretical framework for such an examination, but also a platform of common language. Because the theory begins at the micro level, the theory offers the possibility of constructing and translating between a variety of more macro level perspectives.

The classic literature as well as much of the recent literature on Japanese companies has focused on large companies and in particular on the main company within larger corporate groups (McCormick 2007). Also, electrical and electronic manufacturing companies have frequently been the topic of case studies of Japanese companies and represent a sector with a significant exposure to pressures of globalization (Abegglen 1958, 2006; Dore 1973). In order to maximize the number of applicable case studies and to provide comparability across case studies and with the results of previous research, large electrical and electronic manufacturing companies were chosen as the focus of this study.

This thesis thus employed the method of meta-ethnography to examine a selection of case studies on large Japanese electrical and electronic manufacturing companies using the perspective of social exchange as a common analytical framework. The overarching research question for the study was:

Have the relationships between the company and its employees changed within large electrical and electronic Japanese manufacturing companies since 1990?
SIGNIFICANCE OF THE STUDY

This study offers an advancement of knowledge on all three fronts - substantive, methodological, and theoretical. Substantively, the study contributes to a growing understanding of relationships between the company and employees within Japanese companies and how particular organizational and policy changes affect these relationships. Methodologically, the study makes use of a method that is newly emerging and still in the process of development and improvement, thus offering an opportunity to test and further develop the method based on the needs of a particular application. Theoretically, the study offers a test of the utility of Homans’ (1974) social exchange theory along the very lines that it was first introduced—as a general theory that can be used to explain social behavior in widely different historical and cultural settings. Additionally, as the majority of recent research on social exchange theory has been conducted experimentally, the study offers a complement to this research by testing the utility of the theory in a real world setting (Cook and Rice 2003).
This chapter will first describe the place of the social exchange perspective within sociology and provide an overview of the perspective and its application to company-employee relationships. Second, basic propositions of social exchange theory as proposed by Homans (1974) that are relevant to the study will be presented and a general discussion and elaboration of the propositions in connection with an application to company–employee relationships will be provided. Third, key cultural theories regarding social relationships in Japanese society and what they may suggest for company-employee relationships will be presented and discussed. Fourth, classic and more recent descriptions of company-employee relationships of Japanese companies and policy changes instituted by companies beginning in the 1990s will be presented.

THE SOCIAL EXCHANGE PERSPECTIVE IN SOCIOLOGY

Classic structural and functional perspectives in sociology, as represented by the work of Weber and Durkheim, have been very fruitful in describing particular social structures and their consequences for social life (Collins 1994). However, the focus on existing structures tends to make problematic the recognition of human volition and social change. The conflict perspective, as represented by the work of Marx, places more emphasis on potential change by focusing on conflicts between different groups within society. Through such conflicts, particular groups may bring about changes to the social structure, including their position of power relative to other groups. Proponents of the
conflict perspective further note that an approach that assumes that the existing social structure is optimal and functional for the society as a whole tends to legitimize the behaviors and position of power of currently dominant groups and obscures the sufferings and desires for change on the part of less dominant groups.

While bringing in the potential for change, the conflict perspective nevertheless continues to emphasize a macro level of abstracted social structural patterns. Conflicts seem to come about more due to structural “contradictions” than from the desires and strivings of the people whose behaviors are abstracted into the structural patterns under analysis. The social exchange perspective on the other hand changes the level of analysis to the micro level of people and their behaviors (Homans 1974; Cook and Rice 2003). Considering the behavior of individual people in interaction with others enables a more detailed focus on the processes by which particular patterns of interaction come to continue over time, or to change. The social exchange perspective furthermore allows for a recognition of power dynamics through both the potential for rewards obtained by mutually beneficial cooperation emphasized by the functional perspective, and the counter-possibility of costs arising from conflict.

A final limitation of the classic structural, functional, and conflict perspectives of sociology are their cultural and temporal specificity. Social structures are specific to particular places and times; therefore, analyses using perspectives that place their primary focus on social structure are applicable only to the particular times and places under study. Moving to the micro view of interaction processes on the other hand allows for the identification of common processes of interaction that may result in different social
structures in different places and times. Studies conducted in different cultural contexts therefore take on critical importance for testing and refinement of theory. Furthermore, identification of common processes that are independent of cultural contexts opens the door to identifying how and why changes in social structures occur, and how the same basic processes can result in drastically different social structural outcomes under different circumstances and historical contexts.

From the point of view of a U.S.-based sociologist attempting to understand processes of company-employee relationships in another national context, use of a social exchange perspective allows for an understanding of behavior that transcends the particular cultural and historical context of Japan. The significant differences between company-employee relationships in Japanese and U.S. companies furthermore allow these common processes to be viewed in the context of relatively unfamiliar patterns of behavior, thereby providing new insights into how different behavioral possibilities can come about through the same basic processes of exchange.

THE SOCIAL EXCHANGE PERSPECTIVE

As mentioned above, the social exchange perspective focuses at the micro level and brings together both cooperative and conflictive aspects of social interaction. The perspective accomplishes these tasks by viewing social behavior as an exchange of action. A person’s action is a stimulus to the action of another person, and the other person’s action a stimulus to the further actions of the first person (Homans 1974: 56). The response of the second person to an action of the first person is thus based on the second person’s perception of an action and thus needs not be intentional on the part of
the first person. Action also needs not be ‘action’ per se, as simply being physically present adjacent to another person is a stimulus to that person.

In the simplest case of the dyad, two individuals exchange action with one another (Cook and Rice 2003). In generalized exchange, three or more people exchange action with one another (Cook and Rice 2003; Ekeh 1974). The key difference between dyadic and generalized exchange is that in generalized exchange a person’s response to the stimulus of a second person can be the stimulus to the action of a third person, with similar patterns extending outward to a larger group.

The case of generalized exchange is especially relevant to a study of behavior within a company. First of all, most workplaces consist of more than two people. Second, the basis of a company could be said to be the receipt of actions (payment, benefits, job assignment) from one source in exchange for actions (performance of work) toward a second or more other sources of actions (co-workers, representatives of other work groups, customers).

As suggested above, the source of an action may often be perceived as not an individual but a larger composite entity, such as ‘the company’ (Zafirovski 2003). Certain actions, though performed by a particular person, can be perceived as the actions of a group to which the person belongs and which the person represents. When an employee receives a salary check in the mail, the employee does not perceive the action as of some particular person in the personnel department, but rather of the company as an interactive entity. In this way, not only individuals but also groups can be viewed as engaging in social exchange.
Within a company, three basic exchange relationships can be identified for the employee at the work group level: company-employee, supervisor-employee, and workgroup-employee (Cole, Schaninger and Harris 2002; Sparrowe and Liden 1997). For example, the company provides a job position, salary, and certain benefits; the supervisor provides specific job assignments, instruction, and feedback on performance; and the workgroup provides membership, camaraderie, performance of interdependent tasks, and a secondary source of instruction. In exchange, the employee is physically present at the assigned work location during specified times, performs expected tasks, deals with problems and issues that come up, and cooperates with other workgroup members and other company employees as required. Although the primary focus of this study was on company-employee relationships, the relationships between supervisor-employee and workgroup-employee mediate and can also potentially compete with the company-employee relationship.

HOMANS’ PROPOSITIONS OF SOCIAL BEHAVIOR

The first of Homans’ (1974: 15-18) propositions is the success proposition, which states that the frequency that a person performs an action is dependent on how often the person is rewarded for the action, as illustrated in Figure 1. In the case of a company,

![Figure 1. The Basic Success Proposition](image-url)
for example, the company will try to increase wages only by the amount and frequency needed to maintain the motivation and commitment of employees. Homans goes on to further refine and elaborate this basic proposition, however. The stimulus proposition adds to this model the consideration that the accompanying conditions when a reward is received tend to be linked to successful achievement of a reward (Homans 1974: 22-24). Stimuli include the manner in which an action is performed, the characteristics of the person performing the action, characteristics of the items used to perform the action, and characteristics of other people involved in the action and of the surrounding physical environment. For companies, the stimulus proposition corresponds to the tendency of companies to appoint certain people to carry out particular actions and to establish policies regarding how, when, and where actions should be performed.

The concept of value refines and elaborates the success proposition further by expanding on the notion of reward (Homans 1974: 27). The first distinction is between innate and acquired value. Homans does not claim to know where exactly innate values end and acquired values begin, but he notes that there are certain examples that are clearer than others. For example, outcomes such as nourishment, pleasure, and affection might be seen as having innate value. Acts that are successful in obtaining these innately valued results then acquire value through their linkage to the more basic value. Following this same logic, the accompanying stimuli to a successful act acquires value in connection to that act as well. In this way, a web of acts and stimuli can acquire value through their linkage to one another in a person’s or group’s historical experience of
success in attaining the basic needs and pleasures of life. The resulting elaborated success proposition is shown in Figure 2.

![Diagram: Success: Acquired Value and Stimulus](image)

Figure 2. Success: Acquired Value and Stimulus

When considering the value proposition for the case of a company, it is important to remember again that the “the company” is really just a concept that symbolizes the cumulative actions of company members. When talking about actions of “the company,” however, it is mainly the actions of company executives that come to mind. Innate value for the company could be said to be sales and profits, for example, but the executives acting on behalf of the company also have the same innate needs and desires such as nourishment, pleasure, recognition, and validation as everyone else. Likewise, certain people, actions, and stimuli will acquire value for company executives as representatives of the company as well. In terms of the company-employee relationship in particular, the value proposition suggests that while employee actions may contribute to certain practical needs of the company, employees of certain characteristics and exhibiting certain behaviors will come to acquire value to company executives acting on behalf of
the company through association with their past and ongoing experiences that resulted in rewards for them.

Additionally, value can be positive or negative, where results of positive value are rewarding, and results of negative value are punishing (Homans 1974: 25-26). Again, there may be some outcomes of innate negative value, such as pain, discomfort, sickness, injury, and death. As with positively valued outcomes, acts and accompanying stimuli which are seen to result in one of these innate negatively valued outcomes acquire negative value through their linkage to the negative outcome, and again this creates the possibility of an expanding web of negatively valued acts and stimuli. For company executives, for example, characteristics and behaviors of employees connected with their experiences of punishing outcomes will acquire negative valuations for them. The distinction between positive and negatively valued results is illustrated in Figure 3.

![Figure 3. Success: Positive and Negative Value](image)

Homans (1974: 30-33) makes a final refinement to the success proposition with the introduction of the concepts of cost and profit. There are two types of cost involved in obtaining or attempting to obtain a reward. The first is the basic cost involved in the
act of obtaining the reward. A person expends energy and may endure other hardships (punishments) in the process of obtaining the reward. Second, in acting to obtain a particular reward, the person forgoes other rewards that could be obtained through other acts. These forgone rewards are experienced as costs as well. Profit is the excess reward remaining after the cost of obtaining the reward and the forgone rewards are subtracted from the obtained reward. A reformulated success proposition, shown in Figure 4, is then that a person will continue to perform an act if the act results in a net profit. In the case of the company-employee relationship, the concepts of cost and profit suggest that companies will either try to exit from a relationship with an employee or group of employees that is perceived as not providing the expected level of reward, or try to reduce the cost of the actions contributed to the relationship by the company so as to increase the net reward to the expected level.

![Figure 4. Success: Cost and Profit](image-url)

Rewarding (positively valued) and punishing (negatively valued) results are therefore not mutually independent. A person endures punishing results as costs in the course of obtaining a reward, provided that a net profit is ultimately obtained in rewards.
over costs. Many punishments involve the loss of a reward, a delay in obtaining a reward, or a hindering of attempts to obtain a reward. Similarly, escape from punishment or a reduction in punishment is experienced as a reward, and therefore any act that results in an escape from punishment can acquire positive value (Homans 1974: 26). If the act is consistently successful in reducing or escaping from punishment (consistently rewarding), the person will continue the act, as per the basic success proposition, as shown in Figure 5. In the case of the company-employee relationship, an example might be the use of temporary workers by companies so as to “escape” from the punishing experience of having to layoff permanent employees.

![Figure 5. Choice of Action: Escape from Punishment](image)

When a person finds an act more punishing than rewarding (net loss), (s)he will try out other actions, or modify the accompanying stimulus, in an attempt to successfully obtain a net reward. One source of alternative actions is the person’s own past experience (Homans 1974: 21-22). (S)he may know of several possible actions with different levels of success in obtaining a reward, and will tend to choose the one that
provides the highest net reward, as illustrated in Figure 6. However, it is likely that
different actions will need to be performed to fulfill different types of rewards.
Company executives, for example, can engage the company in a diversity of relationships
with employees, including distinctions such as permanent or temporary, managers or
workers, white collar or blue collar, and sub-unit of organization.

Another source of possible acts to pursue is through a person’s vicarious
observation of another person’s experience of acts and rewards, illustrated in Figure 7
(Homans 1974: 24-25). If a person sees an act to be rewarding for another person, (s)he
may try the act out himself/herself. If (s)he also receives a net reward, (s)he is likely to
repeat the act again in the future. However, (s)he is likely to abandon the act if (s)he
incurs costs that begin to approach or to exceed the value of the expected reward. As
one guard against such a result, a person may compare the accompanying stimuli of the
other person who is successfully obtaining a reward to their own stimuli. If the stimuli are significantly different, the person may expect that (s)he will not be successful and forgo trying altogether. If possible and not involving too much cost, the person may also try to modify his/her own accompanying stimuli to resemble that of the person successfully obtaining the reward. Finally, if a person tries an action experienced vicariously as rewarding but does not receive the expected reward, (s)he may look for an explanation in the differences between their own and the other person’s accompanying stimuli that (s)he will then link respectively to the failure or success of the act in obtaining the reward. In the future, similar acts may be forgone based on the newly formulated criteria of necessary accompanying stimuli. In the case of the company-employee relationship for example, company executives may try out employment practices of other companies perceived as successful, or may try out practices unique to
other sub-units within the company that are perceived to result in a higher level of reward.

APPLICATION OF HOMANS’ BASIC PROPOSITIONS

Homans’ (1974) basic propositions distill complex social exchange behavior into several much simpler components. However, in order to analyze social exchange in action the components must be reassembled and applied in specific circumstances and combinations of relationships. An employee working within a company, for instance, experiences multiple competing rewards and costs in ongoing relationships of social exchange with his/her workgroup members, supervisor, and other people throughout the company. The employee is also of course in relationships of social exchange with family, friends, and others outside of the company. However, the primary focus of this study will be on relationships within the company.

Homans (1974:98-99) used the concept of “group norms” to analyze the case of a person in multiple simultaneous relationships of social exchange within a group. Norms are actions that are reinforced by rewards or punishments within a particular group. Norms can develop within the group itself, but often at least begin from the valued actions that certain members bring into the group. Within a company, executives may try to influence the norms of the company and of particular groups by prescribing specific actions, general characteristics of actions, or objectives to be achieved, and then rewarding or punishing managers and workers based on how well their behavior matches the prescriptions. Alternatively, a group as a whole can be rewarded or punished based
on their collective adherence to the prescriptions. Homans thus refers to such
prescriptions as a second kind of norm.

Two other important concepts introduced by Homans (1974:249, 252) for
analyzing the propositions in action are the “comparison group” and “distributive
justice”. An employee will compare the rewards and punishments (s)he receives to those
received by other people who (s)he perceives to be similar to himself or herself
(comparison group) and who are performing similar actions. If (s)he sees that others
receive similar rewards for similar actions, (s)he will perceive that (s)he is receiving a
fair exchange (distributive justice). If (s)he sees that others appear to receive greater
rewards for a similar action, the (s)he will perceive the difference in rewards as an
additional cost. According to the success proposition, as illustrated in Figure 4, the
greater reward received by the other person is perceived as a forgone reward.

The case of the unexpected greater reward received by another person illustrates a
critical point: actions do not have inherent or fixed valuations of reward or cost. It is by
comparisons to one’s own experience and/or to a reference group that a person
determines what exchange of actions is a fair one. If a person is capable of providing
both kinds of actions themselves (the action received and given), then (s)he will know the
difficulty and rarity of each, and may then have his/her own sense of the value of each.
However, if a person is familiar only with the actions (s)he provides, his/her perception
of the relative value of actions received to actions given will depend upon comparison to
his/her own past experience or to the observed or reported experiences of others
providing similar actions.
In a company, one key difference between the positions of a manager and a worker is that the manager has experience in performing similar actions as the workers, but the workers do not have experience in performing the actions of the manager. Also, the manager exchanges actions with more than one worker simultaneously, and may also have information about the exchanges between other workers and managers. On the other hand, the worker only has direct information about their own exchange with the manager and what they observe or hear indirectly from other workers. In other words, the manager’s certainty of the valuation of actions within the company is greater than that of the worker, meaning that the manager can take actions with confidence in his/her valuation of them, whereas the worker may be more tentative and reliant upon the approval of the manager to know if his/her actions are of sufficient value.

Two ways that a worker can gain more confidence in his/her knowledge of the valuation of his/her actions are through union representation and through information obtained from an external labor market. Union leaders can draw upon collective knowledge of the exchange received by all of the members and negotiate with company management on their behalf. Additionally or alternatively, if an active external labor market exists, a worker can compare the tangible rewards (s)he receives in salary and benefits to those offered to experienced new hires by other companies.

Another important concept for considering social exchange in action within groups is the concept of status (Homans 1974:194-95). A person ascertains another person’s status through observation of the social exchanges of that person with other people. In a particular social exchange, the person giving the reward that is perceived as
more “scarce in relation to demand” than the reward received will be perceived as having the higher status.

In terms of the success proposition (Figure 1(b)), the person acquires value through his/her association with the successful receipt of a reward. Status then is the term used for the valuation of a person. But just as with the valuation of actions and stimuli accompanying actions, the characteristics of a person of high status will acquire value through their association with the success as well. In this way, personal characteristics such as age, education, experience, work position, and gender become valued as “dimensions” of status (Homans 1974:199). Also, just as with valuations of actions and stimuli, people do not always and continuously have the opportunity to observe and confirm success, or even when they do, to know whether particular characteristics really were critical to the success. Therefore, status and the dimensions of status can come to take on a life of their own independent of actual observed success.

Taken altogether, the success proposition in action within groups leads to the circumstance that certain behaviors and personal characteristics come to be valued over time as associated with success, but to some degree independent of actual observations of success, and in that sense taken as a short-hand for success. When a person does not follow the valued behavior patterns (norms), the person is perceived as acting to undermine success. Additionally, norms of behavior become intertwined with status dimensions: how should a person of certain status dimensions behave, and how should other people of similar or differing status dimensions behave toward that person? The end result is that not only are individual dimensions and actions perceived as associated
with success, the combination of dimensions and actions must be in agreement. Homans (1974:201) called the case where status dimensions line up “status congruence.”

A final subject introduced by Homans (1974:367-73) that may be of use for analysis of social exchange within a company is the conflict between institutional and subinstitutional. As just discussed, valued actions (norms) and personal characteristics (status dimensions) can take on a life of their own, independent of actual observed or experienced success. In a company, executives may formalize prescribed norms or introduce new prescribed norms at an institutional level. However, at the intimate level of interaction within a group, actions are continuously adapted and revalued, and particular people are ascribed status based on actual experiences of social exchange. These ongoing subinstitutional processes are both a source of conflict with and potential sources of new norms and status valuations that may spread and later become formalized at an institutional level.

CULTURAL THEORIES REGARDING JAPANESE SOCIETY

Theories on Japanese culture can roughly be divided into those that emphasize the strength of vertical relationships and those that emphasize a more horizontal group orientation. These two ideas are not necessarily mutually exclusive. At the least, however, this rough division may be helpful in highlighting two particular aspects of Japanese culture. In the category of vertical orientation is the concept of *amae* or dependence, introduced and popularized among non-Japanese speakers by the Japanese psychologist Takeo Doi (1981). Doi noted that in Japan, most people tend to think of dependence in positive terms rather than negative as in the U.S. Bonds of dependence
are seen as highly meaningful, affectionate, and mutually beneficial. The emphasis on independence on the other hand emphasized in the U.S. strikes Japanese as cold, lonely, and selfish. Although dependence can be through a horizontal relationship, the main notion is of a person with greater knowledge or experience helping one with less.

Japanese sociologist Chie Nakane (1970) also emphasized the vertical bond in her analysis of the Japanese workplace and Japanese society in general. While she also drew attention to bonds between co-workers, she considered the vertical relationship of oyabun (person with the status of a parent within the relationship) to kobun (person with the status of a child within the relationship) to be the most important and fundamental element to understanding Japanese society (Nakane 1970:42). She said that Japanese are uncomfortable with horizontal relationships due to the implied inherent competition and uncertainty regarding whose will should prevail (Nakane 1970: 53). Because of this, managers within a department tend to be ranked relative to one another along a finely graded scale, so that each manager knows who is below and who is above him/her. She also said that groups are always formed by adding new members at the bottom, rather than introducing them laterally (Nakane 1970: 50). Other evidence she provided regarding the importance of the vertical relationship is that if a group loses its leader, the group will fall into disarray until a new leader can be established (Nakane 1970: 44).

In the category of theories emphasizing the group and a more horizontal relationship as key, perhaps the most well known is the notion of individualism versus collectivism. Markus and Kitayama (1994) proposed that Japanese have a conception of self that is interdependent with a collective, rather than an independent one. However,
the focus on self-conception as the key independent variable has not held up well empirically (Matsuyama 1999). Yamagishi, Cook and Watabe (1998: 167-168) on the other hand have demonstrated through experiment that Japanese group orientation is not due to a collectivist preference but rather due to practices within groups of “mutual monitoring and sanctioning.” The strong relationships of high trust thus formed within groups make interaction with strangers comparatively much more potentially hazardous and so prevent the development of generalized trust toward people outside the groups.

Rohlen (1989) also emphasized the development of strong group relationships between members of relatively equal rank rather than the relationship between the group members and the leader. In fact, he suggested that the leader of a group takes a very hands-off approach, opening up a space to be filled by the members of the group. The leader uses his/her power very sparingly so as to preserve its impact. Ikegami’s (1997: 129-130) conception of strong cooperation and assertiveness within vertically separated layers also seems consistent with this view.

Using the language of social exchange theory, these cultural theories represent theories about the web of actions and stimuli that have acquired value for people in Japan through their association with successful survival and the preservation and enhancement of their well-being. Because such acts and stimuli acquire their own value over time, people will attempt to preserve them as much as possible. Furthermore, because the valued acts and stimuli are highly inter-related, it is difficult to make changes to one element without feeling that the other elements are threatened. In other words, cultural change can be very slow. On the other hand, if a crisis is severe enough, the value of
certain webs of valued acts and stimuli (including the people associated with them) can be thrown into doubt.

The above analysis thus suggested that for the purposes of the current study, the chosen case studies might be searched for evidence of the two aspects of Japanese culture emphasized by the cultural theories—strong vertical relationships and strong horizontal relationships, and how these relationships are being affected as companies try to revamp themselves in response to the persistent economic downturn that began in Japan in the 1990s. How are companies trying to preserve previously valued actions and stimuli while still making the changes they feel are necessary to regain their former success? Again translating into the language of social exchange, a vertical relationship is a social exchange relationship between people or groups of differing levels of status. In this study, the relationships between company and employees are the primary vertical relationship considered. A horizontal relationship is a social exchange relationship between people of similar status. In this study, relationships between employees of a similar status level (within the same comparison group) are an example of a horizontal relationship. The strength of a relationship increases or decreases as the variety and values of actions exchanged and the frequency with which they are exchanged increase or decrease. However, while the cultural theories provided a general introduction to social relationships in Japan, a more focused look at social relationships within Japanese companies in particular was also drawn from to develop and refine the set of research questions for the study.
COMPANY-EMPLOYEE RELATIONSHIPS IN JAPANESE COMPANIES

The Classic View of Japanese Companies

In sociology, studies of Japanese companies have provided a counter-point to Weber’s characterization of bureaucracies in the West and to companies in the United States (McCormick 2007). For example, Weber characterized bureaucracies as exhibiting a clear division between the public sphere of the workplace and the private sphere of the employee outside of work, and highly formalized roles, policies, and procedures. In contrast, Japanese companies display a high degree of overlap between public and private and a relative lack of formalization. Compared to U.S. companies, Japanese companies exhibit far fewer job classifications, and employees take on a much larger variety of responsibilities and tasks over the course of their career (Lincoln and McBride 1987; Itoh 1994). Overall, Japanese companies show distinct differences from U.S. Companies in their hiring practices, training, job security, benefits, pay, promotions, and decision-making.

In the typical U.S. company, employees may be hired at various times during the year and with varying levels of experience (Lincoln and McBride 1987). Some training may be provided, but employees are generally expected to already have at least the needed basic skills and appropriate attitude, both from formal academic schooling and from previous experience, and to make up the rest on the job (Itoh 1994). The existence of a particular job position and the accompanying pay and benefits is highly dependent on changes in market conditions, company strategy, the performance of the company, and the need for particular skills, so it is not uncommon for employees to be laid off or for
employees to seek jobs at other companies in order to avoid a layoff or to obtain a more lucrative position. Remuneration, health insurance, and a retirement fund of some kind are the general extent of compensation and benefits. Employees may develop friendships with co-workers that extend beyond the workplace, but a clear distinction is made between the employee’s life within and outside the workplace. Higher positions may be filled through promotion or through an outside hire.

In contrast, large Japanese companies tend to hire employees once a year and directly out of school as a “class” (McCormick 2007; Dore 1973: 46-47). Employees go through extensive company-specific training before being assigned to particular departments. Company-specific training opportunities continue throughout the employee’s career (Dore 1973: 60-66). As hiring is generally restricted to entry-level, employment is expected to last for the full career of the employee. In addition to basic remuneration, large companies typically provide very low cost dormitory-style housing for single employees with shared bath facilities, meals, and laundry services, and apartment or condominium style housing for married employees (Dore 1973: 209-210; Nakane 1970: 18). Employees also engage in extensive social and cultural activities with other employees beyond normal working hours (Nakane 1970: 120-122).

Promotions to higher positions do not occur until after 10-15 years of employment, and rate of pay is tied primarily to seniority up to this point (Itoh 1994: 238; Holzhausen 2000: 223-224). Seniority continues to play a significant role in promotion decisions and pay at the lower levels of the organizational hierarchy. However, performance evaluations take on increasing importance as employees move to higher
levels. Finally, managers and executives take a relatively “hands-off” approach to leadership (Rohlen 1989). While not giving the workers free reign by any means, the manager nevertheless exposes the workers to the larger picture only sparingly, letting the volition of the group to know and understand more and to increase their responsibilities and skills lead the way. On the other hand, the manager of a workgroup may give attention and care to issues of an employee’s development of appropriate skills and attitudes, and even to their achievement of personal life transitions such as marriage (Nakane 1970:14).

Revisions to the Classical View

Critics of the traditional view of Japanese companies have pointed out that the view paints an overly rosy picture of life in Japanese companies by omitting discussion of negative aspects and by focusing on the case of male regular employees of large Japanese companies (Sugimoto 1997; Mouer and Kawanishi 2005). The vast majority of Japanese work for companies of less than 300 employees, where inter-company mobility is much higher (Sugimoto 1997: 80). Many companies belong to large inter-company alliances (keiretsu) grouped around a central parent company (“main company”) (Vogel 2006:8-9, 124-126; Lincoln and McBride 1987:306-7). To achieve labor flexibility, the main company makes use of personnel from smaller subsidiary companies within the group as needed, where pay rates, status, and job security are lower. Female employees face limitations due to the expectation that women will quit their job upon marriage or at the beginning of child rearing (Sugimoto 1997: 143). A small number of women may be placed in regular, career-track positions, but with the expectation that they will work
under the same conditions as men, including regular overtime and possible geographical transfers. The majority, however, are placed in subordinate, supportive positions.

Because of the common expectation of extensive overtime and participation in social activities with other workers beyond regular working hours, the male regular employee who follows the expected path of marriage and raising children relies upon his wife to take care of the home and the raising of children (Sugimoto 1997: 152-153). In the case of women, pursuit of a career position in a company therefore effectively requires forgoing marriage or at least the raising of children. Even for male employees, some critics see the Japanese workplace as overly stressful and competitive (Mouer and Kawanishi 2005). In extreme cases, excessively long work hours and related stress can even lead to death (karōshi) (Sugimoto 1997: 94).


In the period following World War II, Japan experienced a long period of uninterrupted economic growth. Since the 1990s however, Japan’s economy has alternated between economic decline and low growth, causing many companies to make changes in order to adapt to or at least weather the current conditions (Holzhousen 2000; Morris, Hassard, and McCann 2006). Like U.S. companies 20 years before, Japanese companies began expanding overseas operations to take advantage of lower labor costs. Within Japan, companies severely cut back on new hires, encouraged early retirements, transferred senior employees to subsidiary companies, or converted their job to a stripped down version of their previous position. Use of temporary and contract employees was increased and unprofitable divisions of central parent companies were converted into
subsidiaries. Layers and numbers of management positions were reduced, promotion opportunities accelerated (though still coming late compared to Western standards), and some companies have begun or increased hiring of employees with previous experience at other companies.

APPLYING A SOCIAL EXCHANGE PERSPECTIVE TO JAPANESE COMPANIES

No previous literature was identified that made use of the social exchange perspective for the study of Japanese companies generally or specifically of the changes occurring to Japanese companies in the post-1990 period. The current study is therefore an exploratory study to test the utility of the perspective of social exchange as an explanatory framework for analyzing the relationships between company and employees during a time of dynamic change. However, it is possible conceptually to consider how the classic view of Japanese companies and changes reported since 1990 might be viewed from a social exchange perspective.

If the goal is to create strong relationships between employees and the company, the traditional approach of Japanese companies is highly optimal. Hiring employees directly out of school, long work hours, and providing housing and social activities within the company provide extensive opportunity to develop multiple social exchange relationships over a long period of time that all occur with the accompanying stimuli of the company. Non-specialization of jobs provides employees with multiple and varied modes of social exchange with other employees and with their manager, all within the same company. Seniority-based pay and promotions reward and thus further reinforce a long-term connection to the company.
In response to the economic downturn, however, companies have been introducing policies that in contrast seem to seek to weaken the company-employee relationship, to end the relationship, or to strengthen relationships with particular employees and not others. At the same time, however, attempts have been made not to throw out the old approaches wholesale but rather to adjust and add to them. For example, the pool of regular employees has shrunk but continues. Companies try to find alternative jobs for early retirees in subsidiary companies. Rather than throw out the expectation of long-term employment of regular employees entirely, companies shorten the span of career, introduce options for higher pay with a yearly contract, and introduce new categories of employee who work alongside the traditional regular employees such as mid-career hires and temporary workers. Instead of rewarding employees based only on time with the company, companies increase the use of performance-based assessments, but primarily for managers, and without throwing out seniority considerations entirely.

Changes of any kind to social exchange relationships will lead to the experience by both parties of results that do not meet expectations based on past experience. Also, merit is a much more ambiguous criterion than number of years in the company. Employee performance depends on many factors and may be assessed differently by different people. Using such an ambiguous criterion to determine rewards means that many other employees are likely to be surprised by the company’s decisions regarding pay and promotions, or to dismiss the process as arbitrary or overly personal. With the seniority system, even if an employee feels that (s)he is more or less deserving than
another, the criterion for the decision is clear and expected. Of course, from the point of view of past practice, any change to reward practice is unexpected, and may cause the parties to wonder if future change can be expected as well.

Once changes are made, if time passes without further change, the parties to the social exchange relationship may begin to again expect consistency in results. However, if performance-based assessment is continued, some employees may continue to view the results as inconsistent or at least unpredictable. Employees may over-estimate their chances and then face disappointment. Others may under-estimate their chances and then be pleasantly surprised. To some degree, employees may be able to get a feel for the criteria used by a particular person, and then focus on those criteria over other aspects of the job. The person is no longer working for the company so much as for the particular manager (s)he is under, and thus the common reality (s)he shares with other employees will be reduced.

SUMMARY

This chapter reviewed a variety of theories, concepts, and empirical studies of potential relevance to the question of how changes to Japanese companies since 1990 have affected company-employee relationships. In particular, the perspective of social exchange and the specific concepts and theories of social exchange of Homans (1974) that will be used for the organization and analysis of data in Chapter 4 were introduced. Finally, theories of Japanese culture and characterizations of Japanese companies prior to and after 1990 were reviewed. However, as no previous studies were identified that made use of the social exchange perspective, the current study is primarily exploratory.
In Chapter 4, the results of the study will be analyzed in reference to the reviewed cultural theories and characterizations of Japanese companies. However, as an exploratory study, prior cultural theories and company characterizations were not used to narrow or guide the focus of the current study in order to avoid inadvertently filtering out aspects that might be relevant to an analysis based on the social exchange perspective.
Chapter 3

METHODOLOGY

This chapter first reintroduces the basic substantive question that guided the research and identifies additional questions that will be used in Chapter 4 for assessment of the results. Second, the chapter provides an overview of the method of qualitative meta-synthesis and its application to the study. Finally, the processes of selection of company case studies and the capture and coding of data from the case studies are described.

RESEARCH QUESTIONS

As described in Chapter 1, this study sought to make contributions on all three fronts: substantive, methodological, and theoretical. Substantively, the study attempted to add to knowledge regarding changes to Japanese companies occurring since 1990 through the use of a theoretical perspective that is well established, yet not heretofore applied to the study of Japanese companies. Theoretically, the study tested the utility of the social exchange perspective generally and Homans’ (1974) theories of social exchange specifically as an explanatory framework and common language, respectively, for qualitative meta-synthesis of case studies on changes to Japanese companies in the post-1990 period. Finally, the study tested the meta-synthesis method of meta-ethnography as a means of combining a specific selection of case studies drawn from multiple larger works by different authors as data for a meta-level analysis and interpretation.
Substantively, as this is the first known study of Japanese companies based on the social exchange perspective, the guiding research question was kept in the basic form as introduced in Chapter 1 in order to avoid inadvertently filtering out potentially relevant aspects due to prior assumptions derived from studies conducted based on other theoretical perspectives:

1. Have the relationships between the company and its employees changed within large electrical and electronic Japanese manufacturing companies changed since 1990?

After addressing question 1 above, the following subquestions were also addressed, derived from the review of theories of Japanese culture in Chapter 2:

1a. Have vertical relationships changed?

1b. Have horizontal relationships changed?

Next, the following methodological questions were addressed:

2. Is qualitative meta-synthesis an appropriate analytic approach for the analysis of organizational change?

3. Did the study require any practical adaptations to the method of meta-ethnography that could be applied for similar future studies?

Finally, the theoretical contribution of the study was assessed based on the following questions:

4. Did Homans’ (1974) social exchange theory enable a meaningful explanation of the changes to Japanese companies?
5. How well did the theory match with the empirical descriptions of the case studies?

6. Did the results offer insights beyond what would be possible using structural, functional, or conflict perspectives?

METHOD–INTRODUCTION TO QUALITATIVE META-SYNTHESIS

The method of qualitative meta-synthesis, like the quantitative method of meta-analysis, has been introduced by researchers as a way to achieve an accumulation of knowledge across studies and to make the status of current knowledge more accessible to audiences outside of a particular specialized field (Doyle 2003; Harden and Thomas 2005; Hodson 2004; Weed 2005). Additionally, qualitative synthesis is seen as a potential way to break down barriers to accumulation of knowledge across narrow academic specializations, but without silencing or diminishing the differing perspectives and insights provided by each individual study (Doyle 2003: 43). Finally, whereas the general trend of individual studies has been to seek greater validity and understanding by breaking down topics into ever smaller components and a differentiation of perspectives, meta-level analysis offers a method to reconstruct the fragmented array of knowledge produced back into a holistic framework.

The traditional approach to assessing knowledge accumulation and the current state of research, and suggesting potential new directions for research, has been the narrative literature review (Doyle 2003, Weed 2005). However, while the narrative review does provide an overview of research, the focus of the aggregation is mainly a temporal linkage of studies so as to assess the direction of research and to point to future
research needed, rather than an attempt to construct the current understanding that can be achieved based on the existing research. Also, the traditional narrative review provides little transparency into the process of aggregation and interpretation of the content of the various studies by the reviewer. Meta-synthesis is thus an attempt to systematize and make more transparent the process of aggregation by treating the studies as the “raw data” in a cumulative study that goes beyond mere aggregation to develop new holistic insights that emerge from the full set of studies taken together (Weed 2005: 10).

The method of quantitative meta-synthesis is mainly applicable to collections of quantitative studies with a focus on a common dependent variable and that make use of the same or similar theoretical perspectives (Doyle 2003; Hunter et al. 1982; Weed 2005). Quantitative meta-synthesis can also be conducted across a large number of qualitative studies in order to measure the occurrence of particular kinds of phenomena across the studies. For example, Hodson (2004) coded 131 individual ethnographic case studies in terms of organization characteristics, employee attitudes, and employee behavior, and analyzed the occurrence of different variable values across the studies using the method of Qualitative Comparative Analysis (QCA) (“qualitative” refers to the data rather than the method of analysis). However, while QCA succeeds in revealing regularities across a large number of studies, the richness of detail from the source studies is lost, and it requires ensuring a significant degree of similarity of perspectives and focus across the studies (Weed 2005: 12).

Qualitative meta-synthesis of a small number of studies on the other hand can be valuable due to the ability to retain a greater level of contextual detail and specific inter-
relations between variables, and to draw from the different aspects highlighted by the perspectives used by each researcher. Care is taken to recognize the position of each author relative to the topic of study and the context within which the study was undertaken, and to reflexively assess these issues as the author of the meta-study as well (Weed 2005: 9).

APPLICATION OF QUALITATIVE META-SYNTHESIS IN THIS STUDY

As the current study included a relatively small number of studies, and because the intent was to gain a better fundamental understanding of social processes occurring in a very different cultural milieu using the social exchange perspective, the method of qualitative meta-synthesis was selected as the most applicable to the goals of the study. Within the method of qualitative meta-synthesis, three distinct approaches were considered for use (Doyle 2003: 325-326; Harden and Thomas 2005: 263; Noblit and Hare 1988; Weed 2005:15-17):

a) "qualitative systematic review," in which themes from the studies are extracted and aggregated;

b) "meta-ethnography," in which the different studies are "translated" into a common language and then analyzed from a new perspective;

c) "meta-interpretation," in which the interpretations of qualitative studies are interpreted together in an open-ended and recurring iterative process.

As the intent of the study was to test social exchange theory as a common language applicable to different historical and cultural contexts, the approach of meta-ethnography was chosen as the most applicable.
SELECTED CASES

Potential books and articles were identified through web and database searches using combinations of terms such as “Japan,” “Japanese,” “company,” “corporation,” “organization,” “factory,” “office,” “workplace,” “case study,” “ethnography,” “social,” “relation,” “interaction,” “tie,” “personnel,” “employee,” “work,” “employment practices,” and “transition,” as well as through reference to bibliographies of related literature. Selection criteria included that the books or articles were empirically-based and that they contain descriptions of the changes to organization and employment practices by large Japanese electrical and electronic manufacturing companies in Japan during the post-1990 period. All of the studies considered were published in the English-language. Based on the above criteria, five books and three articles were identified containing together a total of nine applicable case studies covering eight different companies (one company was the subject of two case studies). Additionally, one of the books contained limited data on two of the companies covered by the other case studies and five other companies also meeting the selection criteria.

CAPTURE AND CODING OF THE DATA

Text describing the selected companies on the following four topics was highlighted and then typed into a separate MS Word document for each book and article:

- Reforms: Temporary and long-term changes to organization and employment practices implemented by the company;
• Organization: Characteristics of the company including number of employees, type of manufacturing, and, if the company is a member of a larger group of companies, the company’s position within the group;
• Managers: Working conditions and the viewpoints of managers and executives;
• Workers: Working conditions and the viewpoints of workers.

The eight resulting MS Word documents were saved in rich text format and imported into the qualitative analysis program Atlas.ti for coding. A new structure and framework for the text from each document was created first by coding the text from the above categories into specific types of reforms and aspects of the working conditions and viewpoints of executives, managers, and workers, and then grouping related codes together based on a social exchange perspective. After the coding and grouping of codes into different categories, each book and article was checked a second time for any text falling within the scope of particular codes or larger code categories that may have been missed in the first text capture. The text in each code category was then reduced to key phrases or sentences and combined into tables for comparison across studies, with each table row representing a specific code and each column representing a different company and/or different book or article. Finally, a more compact overview table (Table 1) was created indicating which case studies included text coded into each of the categories for easier comparison across all of the case studies simultaneously.
Chapter 4

RESULTS

This chapter describes the qualitative meta-synthesis framework created from the selected case studies and the results of the synthesis. First, an overview will be provided of each step of the meta-synthesis process, including the capture of data from the selected books and articles, characterization of each book and article, establishment of a framework for synthesis, translation between studies and into the language of social exchange, and the synthesis using the language and perspective of social exchange. Second, the results of the study characterizations, translations, and synthesis will be described. Finally, each of the substantive, methodological, and theoretical research questions identified in Chapter 3 will be addressed.

OVERVIEW OF META-SYNTHESIS PROCESS

A qualitative meta-synthesis draws from existing qualitative case studies as the sources of data for analysis. As described in the previous chapter, the specific source books and articles from which the case studies are to be drawn must be selected, and text related to the chosen case studies described within the sources must be captured and combined into a new data set based on the parameters of the study. In the case of the present study, text was gathered from case studies on Japanese electrical and electronic manufacturers that described the reforms instituted by the companies during the post-1990 period, during which Japan experienced an ongoing period of alternating economic decline and low growth.
As the case studies were drawn from multiple works by different authors, it is crucial to recognize the differing perspectives and focuses of the author(s) of each study. When synthesizing the data from each study, the researcher must then consider how the respective perspectives and focuses of each study may have filtered and shaped the corresponding data. For the present study then, each of the case studies was characterized prior to synthesizing the studies.

The synthesis process consists first of the translation between each of the case studies by identifying text in each study related to a particular topic and comparing the identified text across studies. In this study, the translation was performed by coding the case study text and then comparing the text corresponding to a particular code side by side for each case study. In the same way that in language a translation is performed by matching up words or phrases that describe similar objects, actions, or that perform similar linguistic functions, translation in meta-synthesis is conducted by matching up text that describes similar aspects of the subject of study (Noblit and Hare 1988: 25, 38-39).

Meta-synthesis involves not only translation between studies but also translation of the studies into a common language so they can be analyzed as a synthesized set of data. This second level of translation is performed through the analysis framework. Data is captured from the studies in correspondence to a topical interest shaped by the perspective to be employed for the meta-level synthesis ("meta-perspective"). After the data is coded, the codes are then grouped together by similarity based again on the meta-perspective for the synthesis. Finally, to complete the synthesis, the data is analyzed
collectively using the language of the meta-perspective. In the case of the present study, the perspective of social exchange is used as the meta-perspective for synthesis and analysis.

CHARACTERIZATION OF THE CASE STUDIES

The nine case studies provide data on a total of eight companies (NEC is covered by two separate case studies) (Abegglen 2006; Vogel 2006). Three are identified by their actual names (Hitachi, NEC, and Sony), and five are anonyms (J. Electrical, J. Electronic, JEl, J3, and Company A) (Inagami and Whittaker 2005; Jacoby 2005; Vogel 2006; Abegglen 2006; Morris, Hassard, and McCann. 2006, 2008; Shibata 2002; Matanle 2003). In addition to NEC, Abegglen (2006) also refers at times to a variety of other electrical and electronic companies by their actual names, including Toshiba, Mitsubishi Electric, Fujitsu, Matsushita, and Sharp (as well as case study companies Hitachi and Sony), although not consistently or in great detail. Information from Abegglen on these companies was also included when available for a broader comparison across the electrical and electronics manufacturing sector. Also, Morris et al. (2006) use the anonym “E Company” rather than “JEl” for the same company in their first publication. For simplicity, however, only the anonym “JEl” was used in the present study.

All of the case study companies fall within the general electrical or electronics manufacturing sector with the exception of Company A, which is on the periphery as an “optical and associated high technology electronics products manufacturer” (Matanle 2003:11). Again, with the exception of Company A, all of the companies are very large (over 10,000 employees) and, with the possible exception of J3, are the main company
within a group of affiliates and subsidiaries (Inagami and Whittaker 2005; Jacoby 2005; Vogel 2006; Abegglen 2006; Morris et al. 2006, 2008; Shibata 2002). Company A is only slightly smaller, with 4,862 employees, and is itself a “medium-sized peripheral member” of a group of companies (Matanle 2003:87). J3’s relationship to a group was not specified by Shibata (2002). Generally, then, most of the companies face similar external circumstances and can be considered to be within one another’s comparison group. On the other hand, Company A, and possibly J3, provide an opportunity to gain insight into companies with a different comparison group and with slightly different external circumstances.

The case studies vary in depth, scope, and perspective. With the exception of the book by Inagami and Whittaker (2005), the books and articles from which the case studies are drawn all include case studies of multiple organizations, and most (including Inagami and Whittaker) draw from national level statistics as well. It is not surprising then that Inagami and Whittaker provide a great deal more detail on Hitachi than is provided for the companies in the other case studies. At the same time, differences of focus mean that certain case studies provide significant detail in one area and less in others. Length of work is also a factor as three of the published works from which the case studies are drawn, Morris et al. (2006, 2008) and Shibata (2002), are articles rather than books. Finally, the different backgrounds and perspectives employed by the authors mean that each case study captures and highlights differing aspects independent of differences in focus.
For the purposes of a meta-synthesis, the variation in perspectives and focuses of the studies provides some benefit as aspects missed by one study may be captured by another. On the other hand, the variation makes comparison between the companies problematic. Differences in the reforms and issues reported by the studies may be due to differences in focus, depth, or perspective of the studies rather than actual differences in the reforms and issues of the companies. Due to this limitation, the variations must primarily be taken cumulatively as indications of the possible range of reforms and issues, rather than as variations arising from differences in the particular circumstances and characteristics of each case study company.

The discipline of study of an author provides one indicator of perspective. Inagami is a sociologist (Inagami and Whittaker 2005); Vogel (2006) is a Political Scientist; and Morris, Hassard, McCann, and Shibata are in the field of Business (Morris et al. 2006; Shibata 2002). Three of the authors teach within a department outside of their original discipline. Jacoby received his PhD in economics and is a professor of management, policy studies, and history (University of California at Berkeley 2010); Whittaker received his PhD in industrial sociology and teaches in a business department (University of Auckland 2010); and Abegglen received his PhD in Anthropology and Clinical Psychology and was formerly a professor of business at a Japanese university (Martin 2001). Matanle (2003) lists his PhD as “Japanese Studies/Sociology” and is a lecturer in Japanese studies (White Rose East Asia Centre 2010).

At least three of the authors have extensive experience in Japan. Abegglen (1958, 2006) spent “more than thirty years” in Japan, including many years as a consultant to
Japanese businesses and conducting the research for his seminal classic *The Japanese Factory* (In addition to teaching at a Japanese university) (Martin 2001:1). Matanle (2003:23) previously lived in Japan for “more than eight years” and worked at a Japanese university. Whittaker currently teaches at a Japanese university and also received his Bachelor’s degree at an international university in Japan. Taken cumulatively, the variety of disciplinary perspectives and the extensive experience of some of the authors in Japan provides confidence that a meta-synthesis of the studies can capture a complete and nuanced picture of the variations of company experiences in the electrical and electronics sector in the post-1990 period.

For their questions of study, all of the authors to some degree took up the question of how and to what extent Japanese company practices have changed since the 1990s, and whether their practices are moving closer toward those in the U.S.. However, the way that each author or authors approached these questions and the particular aspects on which they focused differed significantly between the studies. Inagami and Whittaker (2005:3) drew from Dore’s (1973:201) classic study and characterization of Hitachi as a “community” to ask to what degree Hitachi and other Japanese companies remain “community firms” after the reforms of the 1990s and early 2000s. Jacoby (2005) focused particularly on the role of human resources departments both in Japan and the U.S. and how they have been impacted by reforms. Vogel (2006) focused on the roles of both the Japanese government and Japanese companies in considering and adapting practices from the U.S. Morris et al. (2006, 2008) take up the idea that companies are moving to a more flexible “post-bureaucratic” form, and look at whether Japanese
companies appear to be doing so. Abegglen (1958, 2006) looks at reforms to Japanese companies from a broad historical point of view, drawing from his many years as a consultant and professor in Japan and from his original study of many of the same companies published nearly 50 years earlier. Shibata (2002) provides a detailed comparison of the wage systems of three unionized Japanese factories with those of three unionized U.S. factories. Finally, Matanle (2003) draws from in-depth interviews to describe the lived experiences and perceptions of workers and managers in relationship to and within their companies.

For the meta-synthesis, the commonality of general focus of the case studies on changes to Japanese companies during the post-1990 period aligns well with the main question of the present study regarding the changes in company-employee relationships during the same period. The concern with whether the practices of the Japanese companies are moving closer to the practices of U.S. companies is beyond the scope of this study, but provides for a common point of reference in addition to the reference point of the traditional practices of Japanese companies. Also, as discussed in Chapter 1, the question of whether Japanese companies represent a significantly different model of corporations and of capitalism more generally is of concern for the broader canon of sociological theory.

As stated previously, the variation in the focuses, depth, and perspectives of the case studies suggests for the meta-analysis that differences in what is reported should be taken cumulatively rather than as checks of mutual accuracy. Due to the availability of two different case studies of NEC, however, it is possible to both cumulatively gain a
more thorough picture of NEC where the accounts do not overlap and to gain confirmation of reported changes where they do. This is also the case, although to a much more limited degree, with Hitachi and Sony, because of their occasional mention by Abegglen (2006) in addition to the more detailed treatments by Inagami and Whittaker (2005) and Vogel (2006), respectively. More broadly, although it does not appear that there is any additional overlap of the other companies (due to the use of anonyms for some of the companies it is not possible to verify), multiple reports of the same types of reforms or issues do provide some degree of positive confirmation of the types of reforms of companies taking place within the electrical and electronics manufacturing sector.

Lack of a report of a change cannot be taken as confirmation that the change did not occur unless, of course, the lack of change is itself reported, which does in fact appear in the studies. For the most part, however, the meta-synthesis of the case studies can be expected to provide a broad but nuanced picture of the ranges of reforms from a selection of companies operating within the electrical and electronics manufacturing sector. That said, the intent of applying the perspective of social exchange for the meta-synthesis was to bring coherence by highlighting certain key aspects, but this also unavoidably resulted in the filtering out of other aspects that were emphasized within the studies. The question of whether a meaningful coherence was indeed achieved and whether certain crucial aspects were distorted or obscured in the process will be addressed later in the chapter.

Just as the backgrounds and disciplinary orientations of each of the case study authors can be expected to affect their analyses, so too may the background and disciplinary orientation of the author affect the analysis in this study. Though this study
is for a thesis in a master’s program in sociology, the author’s bachelor’s degree was received in electrical and electronic engineering. Also, the author had the opportunity to work for a general electrical manufacturer for three and a half years in Japan as an engineer from 1991 to 1994, and until 2000 for a U.S. subsidiary of the same company. However, while the experience inspired a strong desire in the author to better understand Japanese society, he was not particularly aware of the changes taking place in regard to employment practices in Japan at the time. The author did, however, later learn that the division in which he had worked in Japan was converted into a subsidiary and merged with another subsidiary that had been recently purchased by the company, and that several people he had worked with chose to leave the company at that time. Nevertheless, the author strived to focus specifically on the data from the case studies used for the meta-synthesis for the analysis presented and conclusions reached, rather than draw from his own casual observations or reports from former colleagues.

TRANSLATION OF THE CASE STUDIES

Captured text from the case studies was coded and grouped into five broad categories: 1) changes to exchange community status; 2) entry to and exit from exchange community; 3) sharing of status and goods; 4) shared set of perspectives and practices; and 5) gradations of membership.” Table 1 provides an overview of the code coverage for each case study. These groupings of codes were based on the social exchange perspective and were the first step in translation of the studies into the language of social exchange. The codes themselves are the means for translation between the studies.

---

1 Tables of the full text data for each code, organized by case study, is available upon request from the author.
Table 1. Text Data Category Matrix

<table>
<thead>
<tr>
<th>Author Type and Size</th>
<th>Large General Electrical</th>
<th>Large Electronic</th>
<th>Large</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>Hit</td>
<td>Hit</td>
<td>J.Elect</td>
<td>NEC</td>
</tr>
</tbody>
</table>

### Changes to Exchange Community Status

- **AB**: Acquiring businesses
  - O: O - -- O -- Δ -- -- -- O --
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **CO**: Closing operations, selling & exiting businesses
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **CWC**: Companies within a company
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **A**: Automation
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **MB**: Merging businesses
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **OP**: Offshore production
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

- **SO**: Spin-offs
  - O: O -- O Δ -- O -- -- -- O --
  - Δ: O -- O -- -- -- -- -- --

### Entry to and Exit from Exchange Community

- **LTE**: Lifetime employment
  - Δ: -- -- O O -- O -- Δ -- O
  - ILM: Internal labor market
  - O: O -- O O -- O -- -- --
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O
  - Δ: O -- O Δ Δ Δ Δ Δ Δ Δ Δ O

### Sharing of Status and Goods

- **P**: Pay
  - O: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O
  - Δ: O O O O O O O O O O O O

- **PDA**: Promotions, demotions, and assignments
  - O: O -- O Δ O Δ O O O Δ Δ O
  - Δ: O -- Δ -- -- Δ Δ O O O O Δ
  - Δ: O -- Δ -- -- Δ Δ O O O O Δ
  - Δ: O -- Δ -- -- Δ Δ O O O O Δ

- **TRN**: Training
  - O: O -- O Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ

- **WLF**: Welfare
  - O: O -- O Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ
  - Δ: O -- Δ Δ Δ Δ Δ Δ Δ Δ Δ Δ

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*Published in 2004. Draws from knowledge and contacts from 50 years experience in Japan.*

*b Also “some minor checkups in 2003” (email from Author 6/15/10)*

I&W=Inagami & Whittaker; Ab=Abegglen; Jac=Jacoby; Vog=Vogel; Mor=Morris et al.; Shib=Shibata; Mat=Matanle; Hit=Hitachi
Table 1. Text Data Category Matrix

<table>
<thead>
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<th>Large General Electrical</th>
<th>Large Electronic</th>
<th>Large</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author</td>
<td>I&amp;W</td>
<td>Ab&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Jac&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Ab&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Company</td>
<td>Hit</td>
<td>Hit</td>
<td>J.Elect</td>
<td>NEC</td>
</tr>
</tbody>
</table>

Legend

- O = Changes reported in this topic area;
- -- = Nothing reported on this topic
- Δ = Reported on topic, but not changes or different from other cases

**Shared Set of Perspectives and Practices**

- NO: Nature of organization
  - O
- C&P: Culture and philosophy
  - O
- ECS: Employee career choices and skill development
  - O
- EOF: Employee objectives and fulfillment
  - O

**Gradations of Membership**

- FE: Foreign employees
  - O
- MSW: Managers and specialists vs. working level
  - O
- WCBC: White collar vs. blue collar
  - O
- WMN: Women
  - O
- YOG: Younger vs. older generation
  - O

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<sup>a</sup> Published in 2004. Draws from knowledge and contacts from 50 years experience in Japan.
<br> <sup>b</sup> Also “some minor checkups in 2003” (email from Author 6/15/10)
<br> I&W=Inagami & Whittaker; Ab=Abegglen; Jac=Jacoby; Vog=Vogel; Mor=Morris et al.; Shib=Shibata; Mat=Matanle; Hit=Hitachi
Coding selections of text from different cases studies by a particular code makes a claim of some level of equivalency between what is described by the differing texts. This depends, however, on the specificity of the particular code. In some cases, such as “merging businesses,” the code refers to a specific action by a company. On the other hand, a code such as “women” can include text describing a wide variety of changes and issues that impact women in some way.

Names of codes were generally taken from key words or phrases used within the studies themselves. Generally, there was a high level of commonality in terms used across the studies. Attempts were made to acknowledge cases where term usage and code content varied across the studies.

As described in Chapter 3, text was initially captured based on the criteria that the text contains descriptions of company reforms, basic organization characteristics (this was used for the case study characterizations), and the working conditions and perspectives of employees, including executives, managers, and working level staff. Codes were created and used to highlight passages within the captured text that described specific types of changes and the perspectives of employees regarding the changes. Considering the resulting codes from a social exchange point of view, codes were grouped according to whether they described changes that affected entire divisions or departments (changes to exchange community status), changes to the ways and rates at which people enter or exit the company (entry to and exit from exchange community), changes to the status, roles, and monetary and other benefits provided to employees and the methods by which they are determined and assigned (sharing of status and goods), or
changes that seek to alter the basic set of shared perspectives, assumptions, and practices of the company (shared set of perspectives and practices). Finally, another set of codes highlighted text that did not describe specific changes but rather the characteristics or position within the company of the people affected by a specific change and related differences in viewpoint (gradations of membership). The details of each of these groups of codes will now be described, including their occurrence and any variations in content across the studies.

*Changes to Exchange Community Status*

Groups of company personnel working within the same organizational unit can be impacted collectively by changes to company structure and practices. When manual work processes are automated, all of the personnel involved with the work as it was previously performed are affected in some way. Automation was only mentioned in a few of the case studies (Hitachi, J. Electrical, and Matsushita). For example, at Hitachi human resources (HR) personnel processes, including interactions between HR and employees, were computerized, resulting in drastic reductions in the number of HR staff needed (Inagami and Whittaker 2005).

Another way by which a group of employees can be affected is for their work to be moved to another country (Hitachi, J. Electrical, and NEC). The presidents of companies such as NEC and Sharp claimed that they had no choice but to move non-cutting edge production overseas due to the drastic differences in labor costs between Japan and countries such as China (Abegglen 2006). Abegglen reported, however, at least one case in which automation was used to bring a work process back to Japan that
had previously been moved to China. Because of the small number of staff required, the process could once again be done in Japan at lower cost. However, the reduction in staffing allowed by the automation meant there were still far fewer employees needed in Japan for the work compared to the period before its outsourcing to China.

Company executives also can spin off existing sub-units of the organization as subsidiary companies (Hitachi, J. Electrical, NEC, J. Electronics, Matsushita, and Toshiba) and/or merge subsidiaries with those of other companies (Hitachi, NEC, Matsushita, and Toshiba). J3 showed a slight variation to this pattern by absorbing a subsidiary into the parent company (Shibata 2002). In all of these cases, employees who were once members of the main organization or of a subsidiary potentially become members of a different organization, or come to share membership with a new set of employees. Similarly, acquiring a company as a subsidiary (Hitachi, NEC, and Matsushita) brings a new set of employees into the corporate group. Creation of a new joint venture (Hitachi, NEC, Matsushita, Toshiba, Fujitsu, and Mitsubishi Electric) sends employees out from the main company or from a subsidiary into a new organization for at least a temporary period of cooperation with employees from another company.

In addition to changing the organizational membership of employees, spinning off a part of the company as a subsidiary creates distance between the subsidiary and the employment and work practices of the main company. Another method used in an attempt to achieve the same effect without formally spinning off an operation is that of conceptually differentiating different parts of the company as “companies within a company” (Hitachi, J. Electric, NEC, and J. Electronics). “Companies within a
“company” refers to a symbolic restructuring in which the different operating divisions within the company are renamed “companies within a company” in an attempt to foster a greater sense of independence from one another and from the company as a whole (Inagami and Whittaker 2006; Jacoby 2005:54; Abegglen 2006; Vogel 2006). NEC switched to such an arrangement only briefly, reverting to a more traditional operational structure after just a few years (Vogel 2006).

Spin-offs are a well-established technique among Japanese companies and within the electrical and electronics sector (Jacoby 2005). It is also not so surprising in the technological sector for a company to decide to close down operations and exit certain businesses (Hitachi, NEC, Sony, Toshiba, Mitsubishi Electric, and Fujitsu). The extensive use of such techniques in the post-1990 period is significant, however. More groundbreaking perhaps, given the strong boundaries between corporate groups due to the traditional practice of lifetime employment, are the many cases of mergers made between subsidiaries of companies of rival corporate groups, the strategic acquisition of new companies as subsidiaries, and the sale of businesses and facilities to other companies (NEC, Sony, Matsushita, and Toshiba). From the standpoint of the relationship between company and employee, these actions are particularly significant because they bring together employees who had previously been in different corporate groupings, or, in the case of sales of facilities, at least signal an increased level of cooperation between corporate groups. Nevertheless, if unprecedented in the electrical and electronics sector, such developments were not completely new to Japan more
generally. As Abegglen (2006) notes, companies in the shipbuilding and several other sectors went through similar periods of consolidation decades earlier.

Changes to Exchange Community Status—Translation to Language of Social Exchange

From a social exchange perspective, the changes outlined above represent changes to one or more status dimensions of a sub-unit of the company. The specific skills of the workers whose jobs have been automated or sent overseas have suddenly lost much of their value. At the very least, fewer workers with their particular skills and knowledge will be required for the new automated processes, making the skills more plentiful relative to demand, and thus of lower value. The employees of an organizational sub-unit spun off as a subsidiary or of a subsidiary combined with another company now belong to a different company and have a different level of status.

Another aspect of mergers and joint ventures in particular from a social exchange perspective is that the employees are brought into a shared company-employee relationship with employees from companies and sub-units whose norms have developed in relative isolation from one another. The norms of a company acquired as a subsidiary have likewise developed in isolation from its new corporate group. Finally, separations of organizations and new combinations of organization change the comparison group of employees. In a spin-off, for example, an employee who was formerly a member of the main company becomes a member of a subsidiary. Within the company, his/her comparison group becomes limited to the other employees within the subsidiary rather than the larger group of employees within the main company. Beyond the company, his/her comparison group becomes other subsidiaries of the main company and the
subsidiaries of other main companies rather than other main companies themselves. At the same time, his/her status as a former member of the main company will mediate his/her membership in the new comparison group.

Entry to and Exit from Exchange Community

The methods above move employees as members of organizational units into or out of larger organizational structures. However, an even larger range of techniques are used for moving employees into and out of organizations at the individual level. Employees can be recruited directly out of school or hired after some experience in one or more other organizations. Employees can be brought in on a temporary full-time or part-time contract. Within the company group, employees can be transferred temporarily or permanently between organizations or reassigned to a different sub-unit of their organization. Employees may retire based on their reaching of an official retirement age, or may accept an offer for early retirement. Employees themselves may also decide to resign to seek or accept other opportunities for personal reasons or because of perceived changes in their working situation, assignment, or expectations for the future.

In the post-1990 period, attempts to reduce employment levels were reported for all of the case study companies except for J3. The issue of staff reduction is of particular interest due to the longstanding notion of “lifetime employment” associated with Japanese companies. How did the companies reduce their staff numbers? Reductions of fresh recruits out of school were reported for five of the companies (Hitachi, J. Electrical, NEC, JEl, and Company A). Reducing new hires, together with attrition, is enough to reduce employment numbers over the long term. Spin-offs of parts of the company into
subsidiaries and the permanent transfer of employees to subsidiaries (Hitachi, J. Electrical, NEC, J. Electronics, and JEl) reduces the employee count of the main company as well, giving at least the appearance of cost-cutting action after reports of heavy company losses. Company A, on the receiving side as a medium-sized company within its corporate group, reported increased numbers of transferred employees within its own workforce (Matanle 2003).

Some real cost-cutting can also be achieved through spin-offs and transfers because wage levels at subsidiaries tend to be significantly lower (Inagami and Whittaker 2005). Also, as illustrated by the case of restructuring of consumer electronics at Hitachi, spin-offs tend to result in some of the employees choosing to leave the company “voluntarily” (Inagami and Whittaker 2006:149). Also unprecedented for most of the main companies, at least officially, was the use of “early retirement” as a means to reduce employees (Hitachi, NEC, and JEl).

A few companies have attempted to signal a possible weakening of the practice of lifetime employment by avoiding the phrase “lifetime employment” in company publications (J. Electronics), reducing long-term service awards (Hitachi), or by transitioning from the notion of “lifetime employment” within the company to “lifetime career support,” including help obtaining employment, outside the group (NEC). Closely tied to this development are the attempts reported at four of the companies to create a more open “internal labor market” within the company or group in which managers can seek employees and employees can seek new positions (Hitachi, J. Electrical, NEC, and J. Electronics). While the new systems of open employment are reportedly being used, at
NEC it is more often managers rather than employees initiating the matches, and at J.
Electrical the employees must first gain approval from their current organizational sub-
unit before seeking employment elsewhere within the company (Vogel 2006; Jacoby
2005)

Increased use of contract employees for full-time and part-time work has been
reported in Japan generally for the post-1990 period (Keizer 2008; Inagami and
Whittaker 2005). However, increases in such employees were only specifically
mentioned for NEC and Company A in the case studies. In any case, although numbers
may have increased in recent years, the use of such employees is a well-established
practice in Japan, and their numbers have been higher during certain periods in the past as
well (Inagami and Whittaker 2005). More challenging to the notion of lifetime
employment are reports of increased mid-career hires (Hitachi, J. Electrical, J.
Electronics, JEl, and Company A). With closer inspection, the increase seems less
groundbreaking when it is noted that many mid-career hires tend to come from
subsidiaries or closely affiliated suppliers (Jacoby 2005). As Jacoby notes, companies
generally are not eager to lose an employee to another company, so hiring of people mid-
career is a touchy matter handled by central HR, who negotiates with a potential hire’s
current employer.

The increase in mid-career hires can also then be seen as connected to the attempt
to create a more open internal labor market within the corporate group. In other cases,
mid-career employees may be hired from a company facing bankruptcy, which likely is
something that the source company in fact sought out on behalf of its employees
(Inagami and Whittaker 2005). Sony managers in fact mentioned that they have tried to increase mid-career hires, but that the “market for [such] recruits remains small” (Vogel 2006:174-75). Finally, all five of the companies who did report an increase in mid-career hires noted that such hires tend to be for very specific and limited needs (Inagami and Whittaker 2005; Jacoby 2005; Morris et al. 2006, 2008; Matanle 2003). It is likely that such employees will not be perceived as full members of the company by the vast majority of employees who have spent their entire career at the company. On the other hand, the entry of foreign corporations offering higher salaries and willing to hire employees mid-career may be having some impact. A Hitachi manager reported that “in jobs in which an external labour market was growing–notably for systems software and IT engineers, and indirect staff with international skills–they were now losing good people” (Inagami and Whittaker 2005:175).

*Entry to and Exit from Exchange Community–Translation to Language of Social Exchange*

From a social exchange perspective, companies represent a highly controlled community of social exchange. A person cannot simply wander in and attempt to interact with a manager as a worker for example, or for that matter attempt to interact with a group of workers as a manager. In the traditional path of entry directly out of school and working until retirement, which is still by far the predominant one at the case study companies, an employee considers possible companies with which to enter into a social exchange relationship at time of graduation, and once the choice is made, it is final.
A person not in this select group might enter into a temporary relationship of social exchange with the company as a mid-career employee, a temporary employee, or on contract from a subsidiary or a dispatching agency. The way that an employee enters the company becomes a potential dimension of status. Transfer from a parent to a subsidiary company also represents a change in status if the transfer becomes permanent. In terms of norms, just as the employees of two subsidiaries merged together have developed norms in isolation from one another, an employee who enters the company with previous experience in other companies has developed norm valuations in isolation from the regular employees of the company. Also, just as an employee in an organization that has been separated from the main company, combined with another company, or acquired as a subsidiary becomes a member of a new comparison group, an employee entering a company with previous experience in one or more other companies becomes a member of a new comparison group, mediated by his/her status as a mid-career or temporary employee. Case study companies have been reducing the numbers of new employees brought into the status group of regular employees while increasing the numbers of employees brought in on a mid-career or temporary basis. Some employees have been permanently moved to lower status subsidiaries, thereby reducing their individual status. While the main companies within company groups have been reducing their numbers of employees, the total number of employees including subsidiaries and overseas operations has increased. Therefore, the main companies have in effect increased the proportion of employees in the lower status portions of the group.
Sharing of Status and Goods

In its social exchange relationship with an employee, a company provides the employee with monetary rewards, a position and work assignments, training, and welfare provisions. Modifications to pay practices were reported for all of the case study companies. Attempts to increase the performance-based component and/or decrease or eliminate the seniority component in wage schemes were reported for all case study companies except for J. Electronics, and also for Matsushita. Bonuses were newly tied to the performance of the particular division or “company within a company” and to individual performance (Hitachi, J. Electrical, and JEl).

The possible range of pay differences within a given job grade was increased, including the possibility of overlaps between grades (J. Electrical, J. Electronics, JEl, J3, and Company A). At J3, however, while female union members showed an overall increase in wage differentials, only certain age groups of male union members showed an increase in terms of maximum versus minimum wage differences (ages 30 to 44, and over 50), and the coefficient of variation for wages of male union members actually decreased for all age groups (Shibata 2002:640). Company A would not provide information on the actual pay differences in practice (Matanle 2003). For Sony, it was reported that “pay differentials are considerably larger than in most Japanese companies”; however, increases in pay differences were not reported (Vogel 2006:175).

One possible reason for the lack of actual pay differences in some cases may be practical difficulties with the implementation of performance-oriented schemes. A senior manager of human resources at Hitachi noted that “evaluating the performance of
[research and development] employees is extremely difficult–the results of research might not become apparent for many years, while promising directions might turn out to be dead ends. . .” (Inagami and Whittaker 2005: 203). Similarly, a personnel manager at Company A stated regarding increasing the “ability element” of pay that “the person’s ability. . . is very vague and impossible to accurately evaluate, at least difficult to evaluate” (Matanle 2003:62). Also for Company A, it was reported that “team-based systems, evaluations, and rewards are still dominant,” and that while the company “introduced various individualized personnel management and reward systems,” “some employees admitted to feeling that these reforms as yet amount to tatema, or window-dressing, for the purposes of persuading employees that the company is pushing through rigorous reform, rather than being anything permanent and substantive” (Matanle 2003: 93).

Another issue that may occur with performance appraisals is that managers may not implement them in the prescribed way. It was reported for J3, for example, that despite the increased emphasis on performance appraisals that “many employees are evaluated generously or with average or near average rankings” (Shibata 2002:639). NEC attempted to implement a program for white-collar managers in which those ranked in the bottom 10 percent would be recommended for “a ‘rechallenge’ program for one year that would include career counseling, along with such options as demotion, transfer within the NEC group, and employment outside the company” (Vogel 2006:173). In practice, however, “less than 1 percent” of managers were recommended for the rechallenge program. “Instead, the company tried to handle demotions and
nonpromotions as inconspicuously as possible, simple transferring the nonperformers to new sections.”

Stock options were introduced or increased for company executives (Hitachi, NEC, Sony, and J. Electronics). NEC and Sony also introduced stock price linked bonuses (Vogel 2006). However, J. Electronics was reportedly “rethinking the heavy use of options” due to “recent drops in the company’s share price” and “converting to cash those options that [were] ‘under water’” (Jacoby 2005: 57). At Hitachi, the level at which the company matches employee stock purchases was increased, while at NEC it was decreased (Inagami and Whittaker 2005; Abegglen 2006). Overtime pay was reduced or attempts were made to eliminate it for white-collar employees (Hitachi, and NEC). “Modifications to overtime pay practices” were reported for J. Electrical but the nature and direction of the changes were not indicated (Jacoby 2005:50). For troubled business areas, wage increases were minimized or temporarily reduced (Hitachi and NEC).

For promotions as well, companies attempted to reduce the factor of seniority by allowing quicker promotions (Hitachi, NEC, J. Electronics, JE1, and Company A). At Hitachi, it became possible for employees to skip a grade (Inagami and Whittaker 2005). On the other hand, it was reported that J.Electrical “has chosen to remain sensitive to traditional age norms with respect to assignments and promotions until a manager is in his forties” (Jacoby 2005:63). Also, Matanle (2003:92) noted in regard to Company A that “promotion continues to be constrained by minimum service periods and
employment continues to be dominated by long-term acquisition of company-specific skills. ... particularly for employee and junior management ranks.”

Management layers were decreased (Hitachi and JEl), bringing people of differing levels of seniority together and reducing promotion opportunities. Even at the highest corporate level, several companies slashed the size of their boards of directors (Hitachi, NEC, Sony, J. Electronics, and Matsushita) and brought in outside directors for the first time (NEC, Sony, and J. Electronics). Some employees nearing the end of their career kept their jobs but had their pay, status, and responsibilities reduced (JEl), or were transferred to a subsidiary (Hitachi).

Changes to training were not widely reported. In fact, Hitachi increased training expenditures, but this was together with an attempt to encourage employees to take more responsibility for developing their own skills rather than waiting for the company to tell them to do so (Inagami and Whittaker 2005). At J. Electronics, decisions regarding the rotation of managers between different positions within the company were moved from corporate to division level HR (Jacoby 2005). More significantly, some companies began selective training for “high fliers” targeted and separated out as potential future high level executives (Hitachi and J. Electronics). At J3, however, it was specifically reported that “there are no fast-track promotion systems for high-performers” (Shibata 2002:640)

Changes to welfare provisions such as pensions and family support were reported for NEC, JEl, and Sony, but the most extensive changes were reported for Hitachi. The changes mainly consisted of attempts to accommodate a wider range of lifestyles. Hitachi and Sony introduced child care leave, and Hitachi introduced leave to take care of
sick relatives (Inagami and Whittaker 2005; Abegglen 2006). NEC announced that it would provide financial support for child-care and also “increase support for dependents” (Abegglen 2006:66). At Hitachi, short hour schemes, working from home, and the option of re-employment were introduced for employees taking care of children or even “elderly parents or relatives” (Inagami and Whittaker 2005:195-96). Hitachi sought to reduce the length of time employees stayed in company housing, but also began to offer financial support to employees who chose to find their own accommodations. Similarly, money that formerly went to provide subsidized meals was moved to a new point system in which employees could choose to allocate their points as they wished based on a menu of available services. Company-wide events were reduced and employees encouraged to set up their own events. In another move toward greater flexibility, Hitachi and JEl offered an option of a higher salary with reduced retirement benefits (Inagami and Whittaker 2005; Morris et al. 2006). At Hitachi, implementation of a 401(k) plan rather than a traditional pension similarly increased employee’s control of their retirement plan, and increased portability should they move to another company (or another part of the company’s group) during their career (Inagami and Whittaker 2005).

Although a shift to a performance orientation in determining pay and promotions has been emphasized in the literature on changes taking place in Japanese companies, for several of the companies the changes reported indicated an attempt to increase the emphasis on performance rather than an introduction of performance appraisals as a completely new approach (Hitachi, JEl, J3, and Company A). Similarly, though not specifically referencing either J. Electrical or J. Electronics, Jacoby (2005:63) also makes
the general observation that “. . .rewarding of performance is nothing new in Japan. What has changed is that the weight of performance—relative to that of seniority, age, grade, and other factors—tends to be greater now.” Hitachi, in fact, has been making attempts to reduce the impact of seniority since as far back as the 1960s (Inagami and Whittaker 2005: 129-30). In his comparison of three U.S. and three Japanese factories’ wage systems, Shibata (2002:649) even suggests that at Japanese companies “management, enterprise unions, and employees. . . give more attention to performance appraisal systems” than their counterparts at U.S companies, noting that Japanese companies tend to use performance appraisals for union members as well as non-union members, whereas U.S. companies generally only use them for non-union members.

Another unique aspect of Japanese wage systems pointed out by Shibata (2002:631) in comparison to the U.S. firms in his sample was the use of an ability- or “skill-based job-grade” wage system rather than a wage system “based on job attributes”. Continued use of an ability- or skill-based wage was reported for Hitachi, J3, and Company A, and the discontinuation of ability- or skill-based wages was not reported for any of the case study companies (Inagami and Whittaker 2005; Shibata 2002; Matanle 2003). At Hitachi, although a job-based pay component has been introduced, once again as far back as the 1960s, “ability-related” pay remains a primary component of employee wages (Inagami and Whittaker 2005:130, 182). J3 on the other hand “retained skill-based wages and did not introduce job-based wages for most employees” (Shibata 2002:639). Shibata (2002:639) further notes that “human resource managers. . . pointed
out that the skill-based job-grade systems makes it easier for employees to be transferred within the firms as compared to job-based-wage systems.”

Also, when considering reductions in promotion opportunities it should be noted that at Hitachi, for example, the percentage of employees who were either managers or specialists increased from 4 percent in 1971 to 15 percent in the mid-1990s, although “mostly through an increase in the latter” (Inagami and Whittaker 2005:179).

Additionally, Morris et al. (2006:1501) point out that promotion opportunities beyond the section level have always been limited due to the inherent “pyramid-shaped hierarchy” of companies..

An emphasis on seniority in pay and promotion systems creates a built-in disadvantage for mid-career hires in terms of pay and promotions. Attempts to reduce the emphasis on seniority could thus be seen as potentially helping to reduce the cost of switching companies. Company A, which increased mid-career hires as a percentage of new recruits to 20 percent during its period of restructuring, claims that it “does not any longer discriminate in pay or promotion against mid-career recruits.” (Matanle 2003:92). Nevertheless, as previously noted, Company A continues to emphasize company-specific skills and minimum lengths of service in promotion decisions.

Sharing of Status and Goods–Translation to Language of Social Exchange

In the language of Homans’ (1974) theory of social exchange, pay, position, and welfare provisions are rewards provided by a company to its employees in exchange for their service to the company. All of these rewards provide an ascribed value of status, but pay and welfare provisions in particular also presumably have intrinsic value for
employees. The case study companies reported changes to the rewards provided and to the methods by which rewards are determined. Seniority, education, age, or assessments of ability or performance are used as indicators of the value of the service provided by the employee, and are therefore dimensions of status. A company’s policies regarding determination of rewards are prescriptive norms. Using prescriptive norms, many of the companies have been trying to provide rewards of pay and promotion based more on the status dimension of performance and less on the status dimensions of seniority, gender, and age. Performance dimensions of status include the performance of an individual employee and the performance of the sub-unit of organization to which an employee belongs.

Companies have also been reducing the total number of management and director positions available and thus reducing the number of rewards of promotion that can be given out. While promotions reward employees with positions of higher status, the positions also change the exchange relationship with the company. The company provides higher value rewards and expects to receive higher value actions from the employee. Some companies have reduced the rewards of pay and position provided to certain employees based on the perceived performance status of the employee, or reduced the rewards provided to an employee through a transfer to a subsidiary company.

The providing of training by a company is an action intended to achieve the reward of more valuable service received from an employee. The increased value may either be through the increased value of a particular action, or the enabling of the employee to provide a new action. An increase in expenditure toward training represents
an increased cost, but also an increase of the action of training on the part of the company. Other changes by case study companies include an attempt to use prescriptive norms to elicit employees to take on more of the action of training themselves, and the focusing of a specific action of training on only a limited number of employees especially selected as having the potential to take on executive level positions in the future.

As with the case of training, some companies are attempting to use prescriptive norms to elicit employees to take on more of their own welfare actions. At the same time, companies are increasing the variations allowed in exchange relationships based on the employee’s circumstance outside of the company.

*Shared Set of Perspectives and Practices*

Certain of the actions by the case study companies can be seen as potentially altering or responding to shifts in the collective set of perspectives and practices of the company. Four of the case study companies have implemented a smaller board system inspired by U.S. practices in which a portion of the board members come from outside the company (Hitachi, J. Electrical, NEC, and J. Electronics). A reduced perceived need for a union by some executives was reported for Hitachi and J. Electrical. Also at Hitachi, as previously mentioned, the number of human resource personnel was dramatically reduced through automation, causing some human resources and general affairs managers to worry that they might lose their ability to “facilitate smooth workplace relations” (Inagami and Whittaker 2005: 168). At J. Electrical, the new smaller board of directors “no longer has a designated board position for the HR managing director” (Jacoby 2005:60).
Companies have also made explicit attempts to change their company cultures using internal company materials (Company A) or through modification of their appraisal system based on a revised set of company values (Hitachi). Generally, companies are encouraging employees to take more initiative and self-responsibility (Hitachi, NEC, J. Electronics, and Company A). The implementation of the “companies within a company” system itself was referred to by J. Electronics as an attempt to create “a small-venture-capital spirit” (Jacoby 2005:54). At the same time, JEl reported issues of morale among lower level managers, problems with “employees over-concentrating on targets at the expense of the overall process,” and “a perceived increase in individualistic behavior at the expense of teamwork,” apparently as a result of reduced promotion opportunities and increased emphasis on performance (Morris et al. 2006:1502).

Shared Set of Perspectives and Practices- Translation to Language of Social Exchange

Changes in the organizational make up of an organization change perceptions of the nature of the organization. Employees in particular sub-units of a company, including executive level sub-units such as the board of directors, exchange actions with the company based on the tasks and responsibilities assigned to their sub-unit. The rise and fall of the status of particular sub-units of the company represents a change in the status ranking of different types of actions within the company. If the human resources department or the company union falls in status, for example, the status ranking of their actions performed changes. Some case study companies implemented a smaller size board of directors. If the status of the board remains the same, then this represents an increase in status for the individuals on the board. Bringing in outsiders to serve on the
board, however, may impact the status of the board depending on the status of the individual outsiders. Some case study companies are also attempting to change the valuation of particular types of actions for all company members, for example, by emphasizing new prescriptive norms of self-initiative and self-responsibility.

**Gradations of Membership**

Employees in a company occupy different status groups, such as manager versus worker and blue collar versus white collar. Employees also differ by gender, education, and age. Hitachi and Company A have also brought in limited numbers of foreign employees on fixed term contracts and for specific purposes (Inagami and Whittaker 2005; Matanle 2003). The changes taking place in the companies do not affect all of the employees in a uniform way, and in some cases can be seen as responses to shifts in the demographic makeup of the company. For example, the work practices at Hitachi were established at a time when a majority of employees were blue collar and relatively young (Inagami and Whittaker 2005). Over the years, white-collar workers have become the majority and the average age of workers has increased. As college educated workers increased, the wage system was changed toward an ability-based system rather than a seniority-based system.

The case studies of Hitachi and J3 provide the most detail on the differential treatment of white-collar and blue-collar workers. In the cases of both Hitachi and J3, human resource systems were developed so as to minimize differences between white and blue-collar employees (Inagami and Whittaker 2005; Shibata 2002). Both white-collar and blue-collar workers belonged to the union. Shibata (2002) notes that at J3,
wage increases of managers also generally followed the pattern of negotiated increases for union members. At both Hitachi and J3, differences in wages between managers and workers were not great (Inagami and Whittaker 2005; Shibata 2002). The shift toward a more white-collar company makeup has strained this system, but not changed it fundamentally. Inagami and Whittaker (2005) point out, however, that the similar treatment of managers and white-collar and blue-collar workers was a development that occurred after the Second World War. Prior to the war, the differences were much more pronounced.

At Hitachi, the recent changes to the wage and promotion systems in favor of a greater emphasis on performance has generally been seen more favorably by white-collar than by blue-collar workers, and younger workers wish to see even more aggressive changes, whereas older workers worry about the impacts of the current changes already made (Inagami and Whittaker 2005). In fact, in a company survey during the restructuring, Hitachi managers were surprised to discover a “predominant view of the company culture as conservative” and that “many employees felt that the HRM reforms had not gone far enough” (Inagami and Whittaker 2005:221-22). A desire for a more performance-oriented system among younger workers in particular was reported at J3 as well (Shibata 2002).

Another generational issue to consider is that the current wage systems were established during a time of economic deprivation when companies focused more on providing for employees’ basic material needs. The general secretary of the labor union at Company A points out also that in the 1960s and 1970s, the union’s primary focus was
“to secure living standards and this was an important objective since at that time living standards were quite hard and there was inflation every year” (Matanle 2003:63).

Similarly, at Hitachi, “the [personnel] system aimed at ‘lifetime welfare’, with support for every stage of the worker’s life after joining the company” (Inagami and Whittaker 2005:131). Hitachi even set up its own schools, some of which are still in operation today, to train middle school and high school graduates, and many current PhD holders received their degree after joining the company (Inagami and Whittaker 2005).

Measures to address circumstances faced by women workers or to reduce differences in working conditions of men and women were reported for Hitachi, NEC, Sony, J3, and Company A. First are the measures already mentioned to provide child care leave (Hitachi and Sony), reduced hours (Hitachi), and later re-employment (Hitachi). Company A claims to have “abolished all distinctions between the sougoushoku and ippanshoku career tracks that separated men and women into regular managerial and regular clerical employees” (Matanle 2003:89-90). In the J3 company, the number of female university graduates had increased, women showed a more pronounced wage differential than men, and a personnel representative noted that he felt that performance appraisals for women had become more severe to be more in line with those for men (Shibata 2002). In Hitachi, women in non-technical areas have increased from 10 percent to 40 percent, which personnel managers perceive as having a significant impact on the culture of the company (Inagami and Whittaker 2005:196). On the other hand, Company A also reported an increased “reliance on female part-time, temporary, and dispatch workers for clerical roles” (Matanle 2003:88). Also, in Hitachi’s employee
survey, some employees felt that the new “gender free and family friendly” measures were “insufficiently embedded in the workplace” (Inagami and Whittaker 2005:221-22).

Gradations of Membership—Translation to Language of Social Exchange

White collar and blue collar are generalized status groupings that cut across company sub-units doing different types of specific tasks, but have in common that they either involve or are more closely associated with physical work in a factory setting (blue collar) or with work in an office setting (white collar). They are also roughly correlated with the status dimension of education, where blue-collar workers generally have less than a four year university degree and white-collar workers have a four year degree or higher. In at least two of the case study companies, the differences in status between white-collar and blue-collar workers (white collar being the higher status group), as revealed by the differences in rewards provided to each, are seen by the case study authors as small relative to the differences in the United States.

Managers and workers are also different status groups, with managers having the higher status. But again, for at least two of the case study companies, the differences in rewards of pay and welfare received by each group are perceived by the case study authors as not great relative to the United States. At one case study company, specialists are another status group of higher status compared to workers. Finally, the age of workers is an additional status dimension, roughly correlated with seniority, skill level, and position, with higher age generally bringing higher status.

Some of the case study companies report that the proportion of employees in the higher status groups of managers, specialists, and white-collar workers has increased over
time. The average age of employees has also increased. Tenure and education levels of women have increased, and some companies have brought in limited numbers of foreign workers on a temporary basis.

At least to some degree, changes in company prescriptive norms regarding the possible variations in relationships of social exchange with employees can be seen as responses to shifts in the status group make up of the company. Companies have been attempting to use prescriptive norms to reduce the number of employees in the higher status groups of managers and specialists and to reduce the attention to the status dimensions of male and female, older and younger, and long and short tenure in the determination of rewards. Reduction in attention to a particular status dimension can also be seen as a reduction in the value ascribed to a person based on that dimension. Finally, companies have been attempting to use prescriptive norms to increase the potential variation in the relationships of social exchange between company and employees on an individual basis.

SYNTHESIS

The previous section translated the reported changes at the case study companies in each code grouping into the language of social exchange. This section will now take a look at the changes at the case study companies across the code groupings to construct an overall explanatory framework for the changes at the case study companies. Each description of a change highlighted a particular aspect of the relationships between company and employees. Because the changes were so extensive, many aspects of the structure of the relationships were explored.
The case study companies engage in a wide array of social exchange relationships with employees in terms of the actions received from the employee and the rewards given. The particular exchange for a given employee depends on many dimensions of status, including the sub-unit of organization to which the employee is permanently assigned, position, work assignments, seniority, age, gender, education, skills, and performance.

Likewise, the case study companies made a wide range of changes to their relationships with employees. First, companies changed the status of certain employees by changing the status of the sub-unit of organization to which they belonged from a sub-unit of the main company to an independent subsidiary. This changed the comparison group of the employees from other sub-units within the main company to other subsidiaries within the larger corporate group. Likewise, the new subsidiaries became members of the comparison group of the existing subsidiaries. Companies also changed the comparison group of the subsidiary companies by acquiring new companies as subsidiaries. Some status groups were eliminated by closing sub-units and transferring the workers to different sub-units. In other cases, the work done by a sub-unit was automated, reducing the number of employees needed and again requiring transfers. Transferred employees took on a new sub-unit status, mediated by their status as newcomers to the sub-unit and as former members of their previous sub-unit.

Second, companies changed the proportions of employees entering into particular types of relationships of social exchange with the company based on status dimensions such as whether they were lifetime (brought in straight from school), mid-career, part
time, or temporary, generally by decreasing hiring of new lifetime employees and increasing hiring of the other categories. Also, companies decreased the proportion of employees in the main company status group both by reduced new hires and by transfers to subsidiary companies. Meanwhile, the relative proportions of status groups based on dimensions such as gender, white collar versus blue collar, managers and specialists versus workers, and age, had already been changing over the long term independent of recent changes.

Case study companies made changes to the prescriptive norms regarding exchange relationships, including accommodation of greater variation at an individual level in terms of work schedule, leave from work to take care of children and family, and rewards of welfare received. Companies changed prescriptive norms in an attempt to increase the valuation of the status dimension of performance and decrease the valuation of the status dimensions of seniority, gender, age, and lifetime versus mid-career in the determination of rewards of pay and position given to employees. Finally, companies decreased the number of higher status positions available to be given as rewards to employees.

Finally, companies made changes to prescriptive norms regarding the exchange of actions between company and employees in an attempt to shift some of the actions regarding an employee’s training, career planning, extra-curricular activities, living accommodations, and retirement planning from company to employee. While the shift reduced the actions of the company and increased the actions of the employee, the change also had the effect of increasing the range of variation possible at an individual level.
ANALYSIS

Each of the research questions will now be addressed based on the synthesized explanatory framework.

*Have the Relationships Between the Company and its Employees Changed Within Large Electrical and Electronic Japanese Manufacturing Companies Since 1990?*

The reported changes at case study companies indicate a decrease in actions exchanged between company and employee, an increase of the company’s variety of exchange partners, and an increase in the ease of changing the exchange relationship. Companies have decreased actions exchanged in two ways. First, company executives of the main company began to emphasize performance as a status dimension of organizational sub-units and increased the decision-making independence of organizational sub-units through new prescriptive norms, thereby shifting the actions of guidance and responsibility to the sub-units. At an individual employee level, companies have similarly changed prescriptive norms to shift the actions of job performance, career planning, skill development, arrangement of housing, retirement planning, savings, and recreation to employees.

Companies have also increased their variety of exchange partners. At an organizational level, companies have brought in new organizations as subsidiaries and started joint ventures with former competitors. At an individual employee level, companies have brought in greater numbers of mid-career and temporary employees. Companies have changed prescriptive norms to de-emphasize status dimensions and accommodate circumstantial issues (such as child rearing or taking care of relatives in the
case of women and the exposure to different company norms in the case of mid-career employees) that formerly were used to restrict the type of exchange relationship available to certain status groups such as women and mid-career employees. As a company increases the variety of its employee exchange partners and de-emphasizes status dimensions that distinguish them, the employee exchange partners become more interchangeable and therefore more plentiful relative to demand, lowering their overall status to the company.

Finally, companies have increased the ease of exiting and changing of its social exchange relationships with employees through establishment of internal labor markets to allow employees to change the sub-unit of organization within which they work, a move from pensions to 401k plans, and the option of higher pay with lower or no pension. Also, by hiring some mid-career employees for specific and limited needs, the companies are themselves opening the door slightly to employees exiting from other companies.

*Have Vertical Relationships Changed?*

As discussed above, the company has been reducing its actions of vertical exchange with employees, including providing guidance, advice, taking responsibility, and providing housing, food, and retirement assistance.

*Have Horizontal Relationships Changed?*

The horizontal relationships of exchange between employees of similar status have been changed by the increase in variety of employee exchange partners of the company and the de-emphasis of status dimensions such as seniority, gender, and age. Employees are less similar to one another and have a wider variety of past experience,
reducing the range of shared norms of stimuli and actions for which they can exchange recognition and validation.

*Is Qualitative Meta-Synthesis an Appropriate Analytic Approach for the Analysis of Organizational Change?*

As described in the characterizations of the case studies, the meta-synthesis approach allowed the study to draw from a wide range of perspectives. It is unlikely that such a multifaceted picture of the changes taking place would have been constructed by the author or a group of authors conducting an original study. At the same time, the approach allowed for a scale of study that would have required much greater time and financial resources to conduct from scratch, and took advantage of difficult to obtain access to the organizations studied. Finally, the meta-synthesis approach enabled a study of changes occurring during a period of time that has already passed. In this case, the period was relatively recent. However, the approach opens up the possibility of studying periods of time for which prior qualitative research is available, but for which obtaining new original qualitative data is no longer possible.

One limitation of the approach is that due to the differing perspectives and topical orientations of the authors, the qualitative meta-synthesis approach mainly allowed for an analysis of the range of the types of changes made at the case study companies. Because each author did not consistently capture a comparable set of organization characteristics and circumstances, for example, it was not possible to gain significant insight regarding variations between changes made at each company.
Did the study require any practical adaptations to the method of meta-ethnography that could be applied for similar future studies?

It was necessary in conducting the study to make certain adaptations to the method of meta-ethnography as initially proposed by Noblit and Hare (1988). First of all, Noblit and Hare (1988:33-34) proposed that the method should focus on the metaphors used by the authors in their interpretations of the case studies. This was difficult to implement in practice for this study because each author or set of authors (with the exception of Inagami and Whittaker (2005)) conducted multiple case studies, not all of which were of electrical and electronic manufacturers, and most also drew from a variety of other national data sources. Descriptions of the selected case study companies generally were kept in a detailed, concrete form by the authors until the full set of case studies and data had been presented. Interpretive metaphors were then introduced to describe and explain the full set of data and were therefore not specifically tied to the case studies selected for use in this study. It was therefore necessary to draw from the detailed concrete descriptions of the case study companies rather than the interpretive metaphors.

Although Noblit and Hare’s (1988) proposal to focus on metaphors was based in an argument regarding interpretive versus positivistic approaches, use of metaphors also solved the practical problem of reducing the data to allow ease of comparison across studies. As the data captured in this study was at a detailed concrete level, an alternative method was needed to reduce the data. For this purpose, the method of coding, common to qualitative data analysis techniques, was employed (Miles and Huberman 1994). The
codes were used to capture and organize detailed descriptive text from each case study and to establish equivalencies for translation across studies, as described earlier in this chapter.

Use of detailed concrete descriptions rather than metaphors, and the use of the technique of coding, were practical adaptations of the method due to the nature of the works from which the case studies were drawn. For a given study, if it is possible to find case studies which are conducted in a stand alone manner, so that the interpretations of the author are conducted at the level of a single case study, the original method of Noblit and Hare (1988) of focusing on the interpretations of the authors is possible. However, it is likely that such a situation may be a rare luxury, in which case the adaptation of reducing data through coding used in this study is offered as a practical solution. While some of the interpretive insight of the case study authors may be lost, the concrete descriptions by the authors nevertheless still highlight certain aspects and filter out others, based on the authors’ perspectives and topical orientations. Therefore, the combined descriptions from the case study authors still manifest a variety of perspectives and orientations to offer a rich and multifaceted data set, as previously described above.

*Did Homans’ Social Exchange Theory Enable a Meaningful Explanation of the Changes to Japanese Companies?*

The focus of Homans’ (1974) theory on what is exchanged and with who revealed that both vertical and horizontal relationships within the case study companies are diminishing in terms of the types and range of actions exchanged. This is in contrast to a focus on how well the case study companies continue to fit into a particular macro level
characterization of the employment systems used by Japanese companies. By providing a micro level explanatory structure, social exchange theory enabled the analysis to show that the relationships between the case study companies and their employees are changing, but in a continuous and unique way that grows from the interplay between existing relationships and new pressures for change, rather than as a dichotomous shift from one “model” to another.

How Well Did the Theory Match with the Empirical Descriptions of the Case Studies?

Due to the high level of variation allowed at the macro level by a micro level based explanatory structure, it was not difficult to map the changes reported in the case studies to the concepts of status, norms, comparison group, action, stimuli, rewards, and costs. The benefit of the micro based explanatory structure is that a consistent structure can be revealed that is independent of the current valuations of stimuli and actions. However, the trade off is that the detailed nuance of particular stimuli and actions described in the case studies is not preserved. Also, the general focus of the case studies on the actions of the companies rather than the employees resulted in a mostly one-sided view of the exchange relationship between company and employee.

Did the Results Offer Insights Beyond What Would Be Possible Using Structural, Functional, or Conflict Perspectives?

Generally speaking, each perspective highlights certain aspects of data while obscuring others. Employing a structural perspective to the case study companies would likely have better highlighted the way that the current macro structure of the company benefits executives and managers over employees, and other high versus low status
groupings within the company such as men versus women, white collar versus blue collar, university educated versus non-university educated, and regular employees versus temporary employees. A functional perspective would have better shown how the different macro structural aspects of the company interact toward fulfillment of certain common goals. A conflict perspective would have better revealed the tensions and ongoing wins and losses in the battle for position by different status groups within the company.

Use of a social exchange perspective to analyze the changes at case study companies revealed the way that status dimensions such as gender and seniority are in the process of being de-emphasized, and also how rewards and costs tend to go hand in hand. De-emphasis of status dimensions such as gender and seniority come at the cost of lower overall status for employees generally.

SUMMARY

This chapter presented the results of the qualitative meta-synthesis of the case studies on large Japanese electrical and electronic manufacturing companies. Each case study was described to reveal the wide range of perspectives of the case study authors and the variation in depth and topical focus of each. The case study data was coded and grouped into the broad categories of: 1) changes to exchange community status; 2) entry to and exit from exchange community; 3) sharing of status and goods; 4) shared set of perspectives and practices; and 5) gradations of membership. A translation of each code across the studies was described for each grouping, and then the descriptions for the
grouping as a whole were translated into the concepts of Homans’ (1974) theory of social exchange and synthesized.

The substantive, methodological, and theoretical questions introduced in Chapter 3 were then addressed. Substantively, analysis based on the social exchange perspective suggests that changes at the case study companies have reduced the actions exchanged between company and employees and between employees of similar status. Methodologically, the study demonstrated the utility of the meta-synthesis approach for a study of organizational change. However, adaptations to the particular method of meta-ethnography were needed because all but one of the sources of the case studies included multiple case studies, and most included additional national level data as well in their analyses rather than providing interpretations regarding a single case study on a stand alone basis. Theoretically, the results provided confirmation of the utility and flexibility of the theory of social exchange, offering insights not possible with structural, functional, and conflict perspectives focusing on the macro level alone.
Chapter 5

CONCLUSION AND DISCUSSION

This final chapter will first review the contributions of the study regarding each of the objectives described in Chapter 1. Suggestions for future research will then be presented. In Chapter 1, three objectives for the study were presented, each targeting a different focal area:

1. Substantive Objective: To contribute to a growing understanding of relationships between the company and employees within Japanese companies and how particular organizational and policy changes affect these relationships;

2. Methodological Objective: To test and further develop the method of meta-ethnography based on the needs of a particular application;

3. Theoretical Objective: To test the utility of Homans’ (1974) social exchange theory as a general theory for explanation of social behavior in widely different historical and cultural settings;

SUBSTANTIVE OBJECTIVE

As none of the selected case studies made use of the social exchange perspective for analysis (nor have any other known studies of Japanese companies), viewing the case study data through the lens of social exchange offered a novel approach. Because most of the case studies used were based on interviews with company executives and on company materials, the study provided a view of the relationships between companies and
employees primarily from the point of view of company executives. As the study
employed a meta-synthesis of existing case studies, no new information about the case
study companies was collected. However, this study added to the existing knowledge by
presenting a close examination of the relationships between Japanese companies and their
employees based on an alternative explanatory framework, namely the social exchange
perspective, by considering the collection of selected case studies together.

Using the social exchange perspective moved the focus away from a comparison
of the picture provided by the data to macro level conceptualizations of a “Japanese
model” and “U.S. model,” and toward a more micro level focus on specific relative
changes to the relationships between company and employees. In particular, the study
highlighted the impact of changes on the status of employees, the flexibility of the
relationships of social exchange between company and employees, and the specific
actions exchanged between company and employees.

In terms of status, companies reduced or eliminated the relatively stable status
valuations ascribed to dimensions of seniority, age, and gender in policies regarding pay,
potential work assignments, and promotions, while increasing the status value ascribed to
the highly conditional status dimension of performance. Companies also reduced the
status of whole groups of employees together through actual conversion of sub-units of
the company into subsidiaries, or by re-conceptualizing operational divisions as
“companies within a company.”

In terms of flexibility, companies made practical changes in support of a
reduction in the status ascribed to particular employee characteristics and circumstances
by accommodating employees’ engagement in increased actions outside of the company-employee relationship, such as caring for children or sick family members, through temporary leave, reduced hours, or working from home. Finally, companies reduced the actions exchanged with employees by shifting actions formerly borne by the company to the employee such as career planning, retirement planning, skill development, and the arrangement or at least the selection of means to satisfy personal needs such as social and recreational activities, housing, and food.

In sum, this study presented micro level analyses of relationships between Japanese companies and their employees using a social exchange perspective as a guiding framework to reveal the weakening of the relationships between company and employees through a reduction in relatively stable status valuations of particular employee characteristics and circumstances in favor of a conditional valuation of employee performance, an accommodation of increased employee actions outside of the company-employee relationship, and a reduction in the actions exchanged with employees.

Another way to look at these changes is as a process of individualization of the relationships between company and employees. Rewarding employees on the basis of seniority, age, and gender is, in effect, an exchange based on membership in a status group, rather than the specific behaviors of an individual employee. Such group-based exchange both takes advantage of and reinforces social exchange among status group members to enforce group norms, so that the assumptions made about the behavior of status group members holds true.
From a social exchange perspective, structures such as groups and group boundaries are the macro level expression of consistent relationships of social exchange among group members and between group members and individuals or members of other groups based on a shared group status dimension. As a company devalues certain group status dimensions, the basis for the maintenance and renewal of group structures are diminished as well. In terms of company-employee relationships, the devaluation of group status dimensions fosters a shift in the exchange structure between the company and the employee to one centered on the exchange between the company and the individual rather than an exchange between the company and the status groups to which the individual belongs. At the same time, therefore, this shift represents a potential weakening of related group-based structures of social exchange between employees as well.

METHODOLOGICAL OBJECTIVE

This study used the method of meta-ethnography to conduct a meta-synthesis of existing case studies of Japanese companies (Noblit and Hare 1988). This method allowed for a study that would normally require great expenditures of time and financial resources both in arranging interviews and traveling to Japan to conduct the interviews. Perhaps of equal or greater importance, the method also allowed the study to draw from the wide range of perspectives employed by the case study authors.

Two issues were encountered, however, in attempting to apply the method to the particular requirements of the study. First, because most of the case study authors generally made their interpretations based not on a single case study but on a set of case
studies and other national level data taken together, it was not possible to capture text at an interpretive level. In order to capture text specifically pertaining to the selected case studies, text was captured at the level of concrete description. For example, text was captured in which the authors described the reforms implemented by the companies, company characteristics such as number of employees, position in a company group, and type of manufacturing, and the working conditions and viewpoints of managers and workers.

Moreover, the use of concrete descriptive text led to a second problem. Noblit and Hare (1988) took advantage of the inherently reductive nature of interpretation to provide metaphorical words and phrases for comparison across studies. However, concrete level description, by its nature, is not reductive and so another means of reduction must be employed. In order to reduce the captured text for comparison across the case studies, the qualitative analysis technique of coding, based on the overarching research question and the chosen meta-perspective of social exchange, was used (Miles and Huberman 1994). This study therefore made two innovations to the method of meta-ethnography that allow it to be used in future similar studies in which case studies are drawn from larger works that include case studies and other data in addition to the particular case studies of interest.

THEORETICAL OBJECTIVE

This study demonstrated the general applicability of Homans’ (1974) theory of social exchange to an analysis of changes at multiple large Japanese electrical and electronic manufacturers in the post-1990 timeframe. Additionally, the study
demonstrated the application of Zafirovski’s (2003) proposed extension of the theory to include social exchange between a group and an individual, in this case a company and an employee. The scope of the company case studies used as data for the study allowed for the utilization of Homans’ concepts of action, stimuli, rewards, costs, ascribed value, norms, status, and comparison group.

As previously mentioned, because the company case studies primarily included descriptions of actions by the company rather than employees, it was not possible to provide a thorough analysis which included actions of both the company and the employees. Also, because the company case studies included descriptions of specific key actions taken by the companies over a mostly generalized period of time (post-1990), it was not possible to apply concepts such as satiation, deprivation, affection, and aggression, which can mainly be observed through real time observations of interactive behavior (Homans 1974: 28-30, 37-40). Overall, however, the study was able to make use of the core concepts and framework of Homans’ theory of social exchange and to demonstrate their applicability, as well as the applicability of the perspective of social exchange more generally, to an examination based in a particular Japanese social and historical setting.

POSSIBLE DIRECTIONS FOR FUTURE RESEARCH

This study mainly focused on changes in the prescriptive norms at the case study companies. An open question is how these prescriptive norms interact with group norms at the level of the work group and in the relationships between supervisor and employees. Some insights into this issue were provided in the case study data, such as how actual
wage differentials in some cases did not increase to the degree expected, and how managers softened the affect of changes to performance appraisal policies in their actual implementation. However, actual observations of workplace behavior would be the ideal way to analyze the interplay between prescriptive and group norms. As such detailed micro level data is scarce, and access to obtain such data difficult, data that meets the selection parameters of the current study may not be available from existing case studies (changes at large electrical and electronic manufacturers after 1990). As the current study was restricted to case studies published in the English language, however, inclusion of case studies published in the Japanese language may reveal applicable case studies not identified by the current study. However, because meta-synthesis requires “translation” of concepts across studies into a common language, the literal translation of Japanese and English concepts into a common language could pose a barrier. Alternatively, a search could be made for any ethnographic studies done in a Japanese workplace, regardless of the type and size of company. If any suitable studies were found (case studies conducted during changes to prescriptive norms), these would at least provide the possibility of testing the utility of social exchange theory for analysis of the interaction between prescriptive and group norms in a Japanese company setting.

Another possibility for future research would be to take advantage of Zafirovski’s (2003) extension of social exchange theory to include relationships between groups to analyze the relationship between Japanese companies and other institutions during the post-1990 period. Although not the focus of this study, the analysis suggested that institutional relationships of social exchange are key to understanding the historical
development of, and recent attempts to make changes to, the relationships between company and employees. Companies engage in social exchange with a wide variety of institutions, including schools and universities, company-based unions, other companies inside and outside the corporate group (both in Japan and overseas), the married couples of employees and their spouses, government ministries, banks, and institutional shareholders. Changes to a company’s other relationships can be expected to impact its relationships with employees in Japan and vice versa. Future studies could focus in depth on a particular institutional relationship, or consider from a higher level how the variety of institutional relationships of a company compete with and/or complement one another.

Methodologically, this study demonstrated how the method of meta-ethnography can be adapted for use on case studies that are interpreted by the authors in combination with other case studies and data, rather than on their own. One of the techniques preserved within the method of meta-ethnography was the translation of studies from one theoretical perspective to another. This technique may have application beyond the meta-synthesis framework. For example, studies conducted by researchers working in disciplines other than sociology or in differing theoretical perspectives within the discipline of sociology could be translated to an alternative theoretical perspective even on a stand alone basis. In order to work within limited time and financial resources and fully take advantage of qualitative studies already produced by other researchers, existing studies could be re-analyzed multiple times in a systematic and thorough way (i.e., going beyond the high level treatment of a literature review) by researchers employing a variety of different theoretical perspectives.
Use of translation as both a stand alone technique and for the purpose of qualitative meta-synthesis, however, could be enhanced if researchers are willing to acknowledge that their own interpretations are just one of many possibilities based on a particular perspective or set of perspectives, and to thus seek to prepare their results so as to maximize the ability of other researchers to re-analyze their work based on alternative perspectives. For example, if multiple case studies are conducted, presenting each case study as fully as possible on its own before combining it with the other studies for an overall interpretation would facilitate the work of a later researcher who may wish to draw only from specific case studies within the larger work. Also, qualitative researchers might try to gather and present details that to some degree go beyond what is needed strictly for the perspective they plan to employ.

The theory of social exchange in particular offers a perspective that differs in fundamental ways from the traditional structural, functional, and conflict perspectives of sociology, and so may be especially fruitful for revealing new insights through translation of existing studies conducted using more traditional perspectives. Indeed, analysis based on a social exchange perspective could transform the way that not only researchers in academia, but also individuals in government, non-profits, private industry, and communities, understand and approach relationships with other people and groups. By moving away from culture- and era-centric perspectives constructed based on static macro characterizations toward a perspective based on a micro level framework that remains fluid at the macro level, the social exchange perspective could aid individuals and groups in navigating diverse cultural and social settings, relationships that cross
national boundaries, and ongoing technological, social, and cultural change. Given its potential wide range of fruitful application, researchers should continue to test, adapt, and elaborate social exchange theory for application across diverse historical, cultural, and institutional settings.

SUMMARY

This study demonstrated the application of Homans’ (1974) theory of social exchange, extended by Zafirovski’s (2003) notion of social exchange by groups, to an analysis of changes to the relationships between company and employees made by large Japanese electrical and electronic manufacturers in the post-1990 period. The method of meta-ethnography was adapted to conduct a meta-synthesis of relevant existing case studies of Japanese companies. Possible directions and implications for future research include the application of social exchange theory to the analysis of the interaction between prescribed norms and group norms in the workplace, and to the analysis of the institutional relationships of companies. Qualitative research norms could also be developed to facilitate the re-analysis of original research through translation into alternative theoretical perspectives. In particular, the social exchange perspective holds great promise for re-analysis of a wide variety of social phenomena due to its theoretical independence from static macro conceptions that are peculiar to particular places and times, as demonstrated by the current study.
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