

Preface

How are German capitalism and German business management to be understood from the perspective of Japan as an Asian country? During a time in which different forms of capitalism have come under critical examination, the purpose of this book is to explore the German experience from a Japanese researcher's perspective.

Both Germany and Japan as defeated nations in the World War II received significant American leadership and support after the war. Both countries developed their enterprises, industries, and economy by deploying and adapting technology and management methods from the USA while establishing their own systems of industrial concentration. By these means, both nations became major trading countries. However, current economic and business conditions differ greatly between Germany and Japan.

In trade, American influence on Japanese business is still strong. Japan could not and cannot establish a complementary relationship with American industrial sectors and their products in the American market. Furthermore, a common market structure like the European Union does not exist in Asia. In contrast to Japan, Germany has developed independently of American influence and become part of a well-integrated regional economy. What were the driving forces that created those differences?

That question is approached from a Japanese point of view in this book, based on the assumptions that the origins of the distinct characteristics of German business management after World War II were developed in the 1950s and 1960s. The book analyzes the transformation of business management in Germany and explains the characteristics and structures of German management.

Three major factors that influenced Germany's independent development path are considered in this book. First, the effects of the deployment and adaptation of American management methods on the transformation of business management in Germany are analyzed by considering the overall influence of German capitalism. Second, the impact of the concentration of industries, such as seen in mergers and alliances, on business management and industrial structure is described. The importance of the big business system and cooperation mechanisms of postwar German

capitalism is demonstrated. Third, the book describes how the development of German companies determined the current German condition, that is, “the Europeanization of Germany,” while the world faced the globalization process. The origin of European integration at the level of business management during the 1950s and 1960s is determined. Moreover, the basic foundations of European integration are explored by analyzing market factors in Europe as well as the internal structural transformation of management in Germany.

To analyze the development of postwar German capitalism and German business management, this book introduces four unique viewpoints.

First, the overall structure of postwar German management style is examined in relation to German capitalism. In Japan, there is a school of management research that analyzes business management from the combined perspectives of political economy, industrial economics, and business economics. Using this school of thought, the author fully addresses the economic and industrial factors (the system of industrial concentration) without limitation to the factors inherent to the level of enterprises.

Second, a comparative analysis of Germany and Japan in Asia is provided, also from the point of view of Japan. Specifically, the author analyzes the differences between Germany and Japan in terms of the influencing factors on business and shows how these differences have existed in specific cases outlined in each chapter. This comparison reveals the significance of the German business management model, its characteristics, and contributing factors that make the overall management approach distinctive to Germany.

Third, the author analyzes German business management in relation to regional conditions such as market structure, the structure of competition in Europe, and the accumulation structure of German capitalism within Europe. Emphasis is placed on the transformation of business management in Germany during the 1950s and 1960s, while paying special attention to Germany’s regional economic characteristics in Europe and the relationships between Germany and the USA. How German and European market structures regulate the system of competition is shown to be an important differentiating factor. The author then explores how Japan was not able to establish an accumulation structure in Asia as Germany did in Europe while remaining independent of American influence.

Fourth, this book provides a multifactorial analysis of business management applying the frameworks of the “total system of business management” and “reframing.” The total system of business management refers to the fundamental conditional structures that regulate and determine an overall management style under a specific country’s capitalistic economic system. Based on the author’s original framework, the book analyzes business management in relation to the structure of German capitalism and the cooperative interdependent structures that arose from the concentration of industry. Applying the author’s reframing framework, the implementation of American-style management is considered. Reframing refers to the process of how a management style that is well established in a particular country is transformed into a different style by adaptation, correction, and adjustment in order to fit into the capitalistic structure of the country where reframing is done.

By applying the author's two original frameworks to this analysis, we are able to provide a unique understanding of German business management and German capitalism.

The composition of this book is as follows. Chapter 1 introduces the purpose and significance of the book by explaining the various issues that are covered, such as current economic and business conditions between Germany and Japan, identifies research topics, reviews prior research and ensuing issues, and clarifies two original and key analytical frameworks. Chapter 2 discusses America's global strategy to build the capitalistic world post-WWII and the development of the US-led productivity movement. Chapter 3 examines changes in the relationship among nation, economy, and enterprises in Germany's political economy, which were significant to business management and the development of industrial concentration. Chapter 4 discusses post-WWII changes in labor relations under the codetermination system. It examines the new framework for labor relations in Germany called the "dual system," the mechanism of corporate governance based on the codetermination system and the codetermination system's significance. Chapter 5 analyzes the development of a new system of industrial concentration post-WWII. It discusses new developments in Germany's industrial systems based on industry-bank relationships and system restructuring of large corporate groups after the mid-1950s. Drawing on these bases, from Chaps. 6–10, changes in business management and the significance of the deployment and transfer of US management methods are considered. Chapter 6 discusses the deployment of American management education in relation to universities' role in management education, eligibility criteria for executive management, and the manager promotion system in German enterprises. Chapter 7 examines the deployment of American-style management and production systems. The major issues are human relations, industrial engineering (IE), and the Ford system. This chapter analyzes these issues in relation to German environmental factors such as labor relations, the codetermination system, management values and traditions, and the market structure in Germany and Europe. Chapter 8 analyzes the deployment of American methods for adapting to a mass market in relation to various factors such as the characteristics of domestic and European markets, production- and technology-oriented management values, the composition of executive management, and changes in the structure of competition. The major issues are marketing, public relations (PR), and operations research (OR). Chapter 9 discusses the deployment of a divisional structure in relation to changes in business strategies, management systems and practices, and managers' traditional attitudes. It considers the deployment of divisional structures using case studies of typical corporations from major industries. Following the previous chapters' topics, Chap. 10 reevaluates the changes in business management in postwar Germany through the early 1970s by applying the two original frameworks described in the Introduction—the total system of business management and the reframing of Americanization. It explains the significance of the German business management model that developed in the European environment by comparing Germany's situation in Europe with that of Japan's in Asia. Chapter 11 explains the origins of differences of the postwar development between Germany and Japan and how the transformation of German business management

in the 1950s and 1960s underpinned the formation of today's European Union. It also suggests viewpoints for analyses of current problems affecting Germany's role and possible initiatives in the European debt crisis.

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