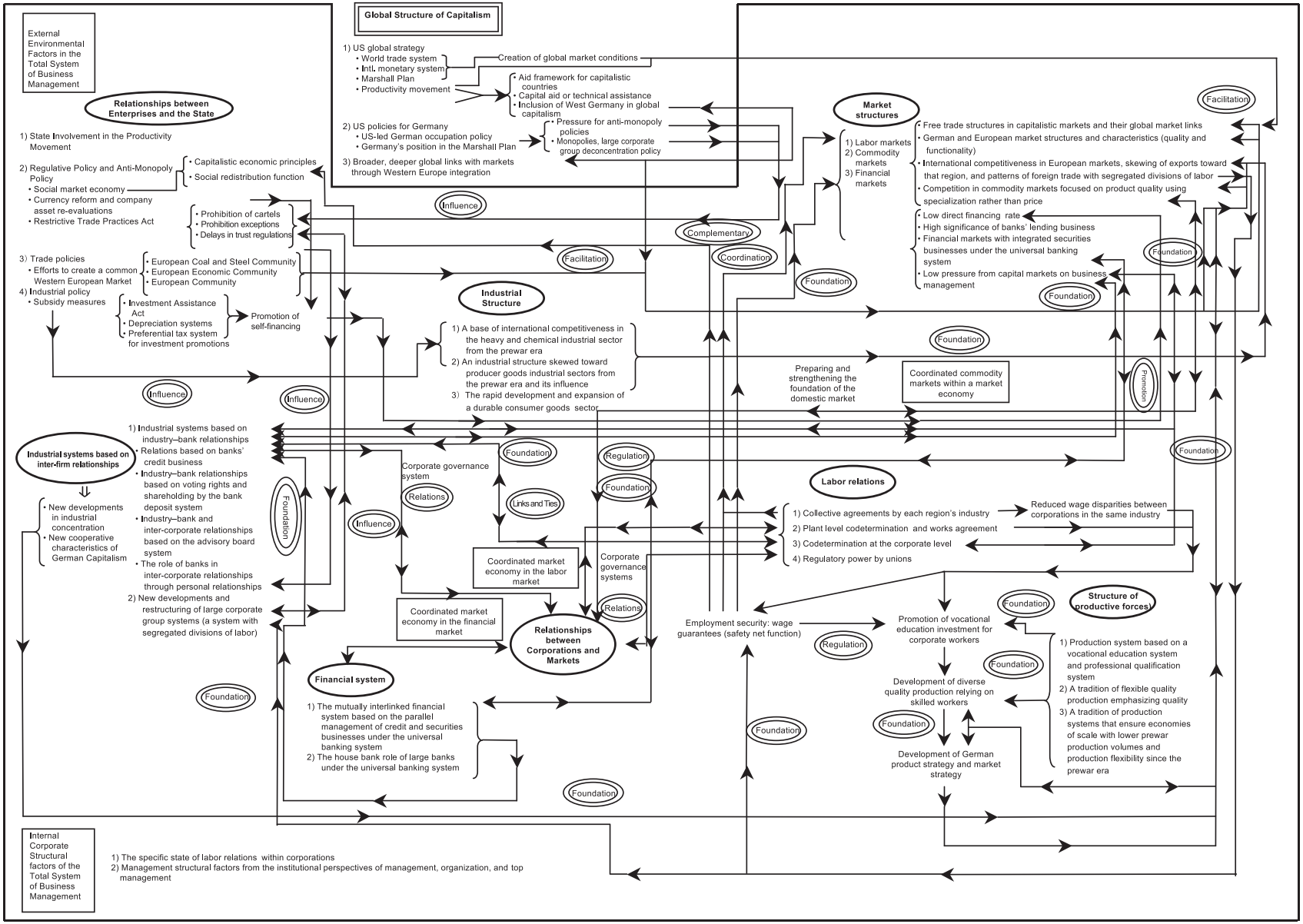
External Environmental Factors in the Total System of Business Management
Global Structure of Capitalism
1) US global strategy
• World trade system
• Intl. monetary system
• Marshall Plan
• Productivity movement
Creation of global market conditions
• Aid framework for capitalistic countries
• Capital aid or technical assistance
• Inclusion of West Germany in global capitalism
2) US policies for Germany
• US-led German occupation policy
• Germany's position in the Marshall Plan
• Pressure for anti-monopoly policies
• Monopolies, large corporate group deconcentration policy
3) Broader, deeper global links with markets through Western Europe integration
Relationships between Enterprises and the State
1) State Involvement in the Productivity Movement
2) Regulative Policy and Anti-Monopoly Policy
• Social market economy
• Currency reform and company asset re-evaluations
• Restrictive Trade Practices Act
• Capitalistic economic principles
• Social redistribution function
• Prohibition of cartels
• Prohibition exceptions
• Delays in trust regulations
3) Trade policies
• Efforts to create a common Western European Market
4) Industrial policy
• Subsidy measures
• European Coal and Steel Community
• European Economic Community
• European Community
• Investment Assistance Act
• Depreciation systems
• Preferential tax system for investment promotions
Promotion of self-financing
Influence
Facilitation
Complementary
Coordination
Foundation
Market structures
1) Labor markets
2) Commodity markets
3) Financial markets
• Free trade structures in capitalistic markets and their global market links
• German and European market structures and characteristics (quality and functionality)
• International competitiveness in European markets, skewing of exports toward that region, and patterns of foreign trade with segregated divisions of labor
• Competition in commodity markets focused on product quality using specialization rather than price
• Low direct financing rate
• High significance of banks' lending business
• Financial markets with integrated securities businesses under the universal banking system
• Low pressure from capital markets on business management
Industrial Structure
1) A base of international competitiveness in the heavy and chemical industrial sector from the prewar era
2) An industrial structure skewed toward producer goods industrial sectors from the prewar era and its influence
3) The rapid development and expansion of a durable consumer goods sector
Preparing and strengthening the foundation of the domestic market
Coordinated commodity markets within a market economy
Promotion
Industrial systems based on inter-firm relationships
• New developments in industrial concentration
• New cooperative characteristics of German Capitalism
1) Industrial systems based on industry–bank relationships
• Relations based on banks' credit business
• Industry–bank relationships based on voting rights and shareholding by the bank deposit system
• Industry–bank and inter-corporate relationships based on the advisory board system
• The role of banks in inter-corporate relationships through personal relationships
2) New developments and restructuring of large corporate group systems (a system with segregated divisions of labor)
Corporate governance system
Relations
Links and Ties
Regulation
Coordinated market economy in the labor market
Corporate governance systems
Coordinated market economy in the financial market
Relationships between Corporations and Markets
Financial system
1) The mutually interlinked financial system based on the parallel management of credit and securities businesses under the universal banking system
2) The house bank role of large banks under the universal banking system
Labor relations
1) Collective agreements by each region's industry
2) Plant level codetermination and works agreement
3) Codetermination at the corporate level
4) Regulatory power by unions
Reduced wage disparities between corporations in the same industry
Employment security: wage guarantees (safety net function)
Promotion of vocational education investment for corporate workers
Development of diverse quality production relying on skilled workers
Development of German product strategy and market strategy
Structure of productive forces
1) Production system based on a vocational education system and professional qualification system
2) A tradition of flexible quality production emphasizing quality
3) A tradition of production systems that ensure economies of scale with lower prewar production volumes and production flexibility since the prewar era
Internal Corporate Structural factors of the Total System of Business Management
1) The specific state of labor relations within corporations
2) Management structural factors from the institutional perspectives of management, organization, and top management