

Work Values and Labor Management in India and China: A Comparative Analysis for Modern Industrial Labor

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Abstract

The aim of labor management policies in LDCs is to create productive industrial laborforce. Productive labor, in this case, means well-disciplined and motivated workers. These desirable properties are often realized by such labor management that sufficiently esteems work values (job-consciousness) of workers' prevailing in their societies. Such work values deeply depend on social ethic, traditional value structure, the educational system, etc.

Thus, to confirm how different work values are held among workers in India and China, we conducted our interview surveys of job-consciousness in several firms of both countries, respectively, in mid-90's. In those days, each country had realized to some extent market-liberalization transformed from socialist economy (China), and from so-called mixed economy (India). Therefore the different behaviors based on different work cultures can be more clearly grasped in this stage. Such sharp differences (or indifferences) are confirmed by statistical analyses.

Key words: labor management; work culture; job-consciousness; interview survey; comparative study

1. Background of a Comparison

This paper attempts to study the differences and their causes for the job-consciousness of Indian and Chinese industrial workers, based upon interview-survey data collected by ourselves. For job-consciousness can measure the strength of work motivation, which is the most important index of the modernity of labor. In other words, we can grasp the developed levels of modern industrial laborforce in both countries by analyzing the job-consciousness of Indian and Chinese workers. This must, to some extent, explain the relatively high labor-productivity of Chinese workers, when compared with that of Indian workers.

On the other hand, the job-consciousness contains work ethics as a part of social values among work people, which is considered to be an important aspect of culture prevailing in her society.¹⁾ Thus we can also find different influences of culture on the formation of modern laborforce through the analysis of job-consciousness in different countries.

For this purpose, we analyse the responses of our interview surveys conducted in India in 1998, and in China in 1995. All the firms in these surveys of both countries belong to the machinery industry, and are located in the suburb of Delhi in India and Tianjin in China. The surveys also contain joint ventures for both countries.

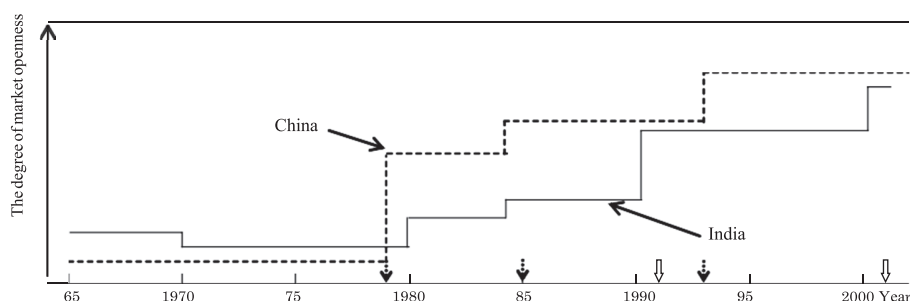
So far we had conducted 9 interview surveys (for 1,507 persons) in India and China during the mid-80's and the end of 20th century. However, they contain some particular problems, such as female workers' job-consciousness, migrant workers' difficulties in India, layoff problems in China and so forth. Their target samples are, hence, largely different and not comparable every with each other for two countries.

The above-mentioned two surveys have much more comparability, though three-year time gap exists. Thus we may derive some suggestions and implications from different responses towards the questions in those surveys. We discuss mainly direct aspects to give general impacts on job-consciousness in Section 2, and more complex factors from foreign culture in Section 3.

The questionnaires in both countries are almost common except for the orders of sections and questions, though Indian one is in Hindi and in Chinese for China. The samples were selected by a simple random sampling (SRS) method from the lists of managers and workers provided by the firms.²⁾ Sample sizes are 248 for India and 167 for China.³⁾

These two surveys were conducted around the mid-90's, when about fifteen-years had passed after their starting of market openness policies. This is the days that the environment of economic reforms in both countries had reasonably stabilized. Therefore, it was a good timing to explain the labor-productivity differences in both countries from their job-consciousness against the quite similar background of planned economy with (1) a long history of import-substitution industrialization policy and (2) having the large potential domestic market.

It may surprise the reader to see the degree of market openness in India, the country that was trying to shift to market economy from a mixed economy, to be lower than in the formerly socialist Chinese economy. Though the Indian economy saw comprehensive liberalization under the 1991 New Economic Policy and market-opening measures such as removal of import regulations were quite successful, the reform of the large public sector and privatization of the state owned enterprises lagged



Note:

- 1) The evaluation on market openness is based on the generally accepted one, but the degree on a vertical axis is measured by an ordinal scale.
- 2) ↓ and ↓ indicate the year of a large institutional reform in China and India, respectively.

Figure 1 Transition of the degree of market openness in India and China

behind causing the lower overall degree of market openness. Even with various policy twists, the Chinese open-economy policy has been successful and much further advanced.

It is true that both, China and India have relied on a closed economic system in the postwar period till the 1980s. While it is understandable in a socialist economy like China, even a democratic mixed economy like India has resorted to drastic import controls and public control of capital and technology under the import substitution strategy of industrialization. As a result, despite subscribing to price mechanism, the Indian economic system was much closer to the Chinese system. During the 1980s, both the countries fervently began pursuing economic liberalization and creation of a market economy. However, the degree of market openness in India falls short of that in China.⁴⁾

However, Indian firms covered in the present study are private sector firms and therefore the job-consciousness in these firms may not necessarily be lagging (in terms of market development and liberalization) behind that in the Chinese firms. On the contrary, it is possible that this consciousness may be far more developed in Indian firms because of their longer exposure to the adjustment mechanisms and competition in the domestic market. However, if job-consciousness in Indian firms is in fact lagging behind, it becomes imperative to ask why it is so. This paper tries to confirm this point from a comparative perspective.

For this purpose, we look at the most fundamental factors and the direct and indirect routes via which these factors affect job-consciousness. Figure 2 is a diagram depicting these relationships. One of the direct routes influencing job-consciousness (R_2) is the reflection of the “cultural” factors such as the social sense of equality, work ethic and the social standing of the occupations. Another route (R_1) is the way human resource management (HRM) policies, working through organizational

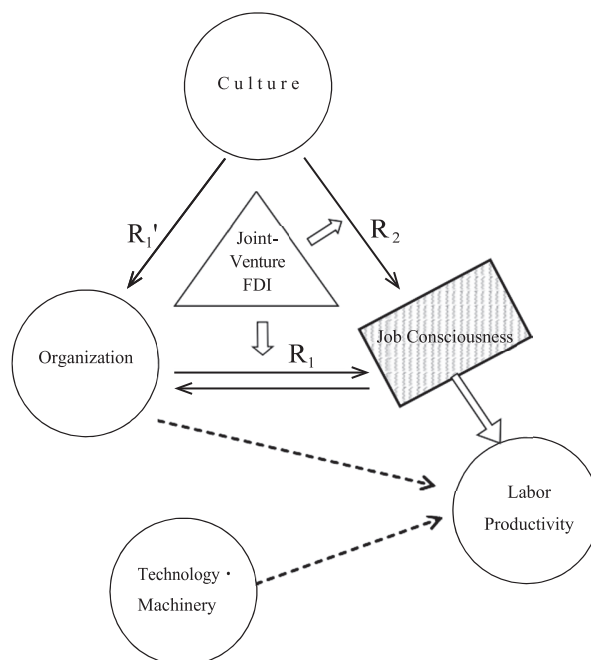


Figure 2 Two factors controlling job consciousness

culture, affect the worker attitude towards competition and technological change by influencing job satisfaction, and perception of the workers and middle management of the market and their evaluation of employment and wages.

These two routes do not operate in isolation but are substantially intermixed and mutually dependent. Moreover, in studying the latter route, R_1 , in a different cultural context, it is obvious that the culturally determined organizational structure of a firm or plant and the prevailing organizational principles and values will be different. That is to say, in order to study job-consciousness from the latter viewpoint, it becomes imperative to include the “cultural” factors falling under the route R_1' .

Another point that one must keep in mind, in the context of Figure 2, is that FDI induced “management transfer” by way of setting up a joint venture is nothing but transfer of culture. What is being transferred is a part of the value system of a society embodied in the management ideology that is imparted to the receiving country through personnel policies and direct appeal to the work force. This has a great impact on job-consciousness and can result either in greatly improving labor productivity or, sometimes, to serious cultural frictions.⁵⁾

2. Differences in Job-consciousness and Their Implications

In this section we undertake a comparison of job-consciousness in Indian and Chinese firms. For this purpose, we pick up questions that are expected to reflect social characteristics and consciousness rather than those that are highly affected by individual conditions and stance (e.g. job satisfaction). This will be of immensely useful in drawing inferences from any substantial differences in job-consciousness between China and India.

Such differences are confirmed by χ^2 homogeneity test for each contingency table with respect to managers and workers. As a reference, the homogeneity of those two matrices between managers and workers is confirmed by Lancaster-Kullback test.

2-1 The R_1 Route

Let us begin with route R_1 . The job-consciousness of the employees (workers and middle management) is directly affected by personnel management policies, market conditions and historical practices. For example, Table 1 presents the response to the question: How do you feel about the replacement of absentees or retirees by relatives or other family members?

In China, the system whereby another family member could replace a retiring worker – the family substitute system – was officially sanctioned. It was being used as one of the employment guarantee schemes in a country suffering from severe over- population but was abandoned in 1986 due to its significant negative impact on work discipline and labor productivity.⁶⁾

In case of India as well, the traditional badli system prevailed widely till at least the end of the 1970s. In plants with lax personnel management, we have seen the absentee workers being substituted by his personal acquaintances or relatives. This phenomenon is perhaps coterminous with occupational caste (Jāti) system in India. This is because occupation is inseparable from the individual and is believed to be interchangeable only within the caste group. Moreover, belief that employment is a sort of “property” may also be supplementing this phenomenon.

Looking at Table 1 in this light, it is clear that in China, where the family substitute system was abolished, a majority of workers do not favour such a system. In contrast, the Indian employees still find it difficult to think about occupations as functional (rational). That this is true even for the middle management indicates the deep roots of the system.

In response to the question “who should cover for the absentee worker” (see Table 2), on the other hand, the response of Indian employees is predominantly that a person from within the work place, indicating a strong sense of team work. In contrast, it is interesting to see that most of the Chinese workers believe that this is the responsibility of the individual worker or the job of the replacement worker. While workplace awareness is stronger in the middle management, China in general seems to have strong individualistic tendencies.

These differences in occupational awareness are reflected in competition in the work place. For example, as also revealed in Table 3, the Indian middle management emphasises cooperative relationships more than occupational competition. In Chinese firms, on the contrary, competitive relations among the employees are highly valued. As a result, while the Chinese prefer competition among individuals (Question II.L), Indians seem to prefer competition among groups (Question V.E).

This indicates the progress of institutional reform in China and that changing awareness, with

Table 1 How do you think about the traditional substitute-worker system?

| (India II C) † (China II I) † | | 1 a | 2 b | 3 c | Total |
|----------------------------------|---------------|--------|----------|-------------|-------|
| | | Good | Not good | Unavoidable | |
| Managers | Indian firms | 27 | 4 | 14 | 45 |
| | Chinese firms | 3 | 13 | 3 | 19 |
| | Total | 30 | 17 | 17 | 64 |
| Workers | Indian firms | 43 | 1 | 4 | 48 |
| | Chinese firms | 11 | 36 | 14 | 61 |
| | Total | 54 | 37 | 18 | 109 |

Note: 1) † indicates the question number in the questionnaire of the year 1998 and 1995 for India and China, respectively. The same hereafter.

2) $\chi^2_M = 24.58^{**}$, $\chi^2_W = 56.89^{**}$. M denotes managers, and W denotes workers.

3) $\chi^2_{LK} = 11.04^*$. χ^2_{LK} indicates the Lancaster-Kullback test statistic for the equality test of two matrices.

4) * and ** indicate to be significant at 5% and 1% level, respectively.

5) The unit is the number of persons. The same up to Table 13.

Table 2 Who should fill the absentee?

| (India III D) (China II J) | | 1 a | 2 b | 3 c | Total |
|-------------------------------|---------------|----------------------|--------------------------------|---------------------|-------|
| | | The absentee himself | Other person in the work place | Arranged substitute | |
| Managers | Indian firms | 3 | 38 | 4 | 45 |
| | Chinese firms | 6 | 11 | 2 | 19 |
| | Total | 9 | 49 | 6 | 64 |
| Workers | Indian firms | 5 | 39 | 4 | 48 |
| | Chinese firms | 13 | 21 | 27 | 61 |
| | Total | 18 | 60 | 31 | 109 |

Note: $\chi^2_M = 7.16^*$, $\chi^2_W = 24.82^{**}$, $\chi^2_{LK} = 6.04^*$.

Table 3 Competition on work among employees

| (India V D) (China II J) | | 1 a | 2 b | 3 c | Total |
|-----------------------------|---------------|---------------|---------------------------------|---|-------|
| | | Indispensable | Not competition but cooperation | More employment rather than competition | |
| Managers | Indian firms | 19 | 26 | 0 | 45 |
| | Chinese firms | 11 | 3 | 5 | 19 |
| | Total | 30 | 29 | 5 | 64 |
| Workers | Indian firms | 35 | 12 | 1 | 48 |
| | Chinese firms | 41 | 8 | 12 | 61 |
| | Total | 76 | 20 | 13 | 109 |

Note: $\chi^2_M = 17.74^{**}$, $\chi^2_W = 9.16^*$, $\chi^2_{LK} = 4.62$.

Table 4 About the long-term employment system

| (India V G) (China V A) | | 1 a | 2 b | 3 c | Total |
|----------------------------|---------------|-----------------------------|---------------------|-----------------------------|-------|
| | | Unfavorable on productivity | Desirable stability | More freedom of job changes | |
| Managers | Indian firms | 7 | 22 | 16 | 45 |
| | Chinese firms | 1 | 11 | 7 | 19 |
| | Total | 8 | 33 | 23 | 64 |
| Workers | Indian firms | 3 | 39 | 5 | 47 |
| | Chinese firms | 6 | 33 | 22 | 61 |
| | Total | 9 | 72 | 27 | 108 |

Note: $\chi^2_M = 1.35$, $\chi^2_W = 10.57^{**}$, $\chi^2_{LK} = 7.29^*$.

some delays, is changing perceptibly and supporting the reform process. As for the family substitute system or competitive values, functional job-consciousness is definitely spreading.

In India, on the other hand, while labor quality and potential capabilities are well developed, problems with HRM account for the generally low labor productivity levels. This is evident in comparisons with China as well. Despite the reforms since 1991, the spread of competitive awareness and rational occupational values is surprisingly lagging behind.

Let us now have a look at the differences in job-consciousness between India and China in terms of employment and wages. Table 4 depicts the responses to long-term (life-time) employment. In both countries, long-term employment is considered desirable for the workers, not as a productivity-reducing factor. However, the Chinese workers and managers show a strong desire for opportunities for job change given that such opportunities were unavailable before.

In terms of wage system, about half of the Indian workers (Question V.I) feel it to be inequitable, over 30 per cent of Chinese workers (Question II.Q) feel that it is too equal and hence undesirable. At the time of this survey, leaving aside firms with good performance and earnestness for managerial reforms, while a performance based bonus system was introduced in the state owned and group enterprises, the influence of the grade based wage system is still strong and the intra-firm wage differentials excessively small (cf. Kiyokawa, 2000).

If we then ask what sort of wage system is most desirable (Table 5), the management in both the countries shows strong preference for ability-based wages. But, for the workers, there is a clear polarisation between seniority based and ability based wage systems. Still, the Chinese workers

Table 5 About the seniority-based wage system

| (India V F) (China II O) | | 1 a | 2 b | 3 c | Total |
|-----------------------------|---------------|-----------|--------------------------------|-------------------------------|-------|
| | | Important | Egalitarian wage preferable | Efficiency wage preferable | |
| Managers | Indian firms | 9 | 2 | 34 | 45 |
| | Chinese firms | 7 | 0 | 12 | 19 |
| | Total | 16 | 2 | 46 | 64 |
| Workers | Indian firms | 23 | 12 | 13 | 48 |
| | Chinese firms | 23 | 3 | 35 | 61 |
| | Total | 46 | 15 | 48 | 109 |

Note: $\chi^2_M = 2.65$, $\chi^2_W = 14.13^{**}$, $\chi^2_{LK} = 6.95^*$.

show a stronger preference for ability based wage system indicating a fundamental difference in job-consciousness compared to the Indian workers.

Finally, we wish to point out two further facts in relation to the route R_1 . First, while over half the respondents consider factory regulations to adequate in India (Question V.C), 20 per cent of the Chinese respondents want these regulations to be stricter and over 40 per cent feel that the even the present regulations are not meticulously followed (Question III.S).

Our impression is that while the factory work force in both the countries does not come up to the Japanese standards, the Chinese work force is relatively better. However, this response could either be appropriate reflection of the facts or the Chinese workers are more aware of their existence as “disciplined workers”. We lean towards the latter interpretation.

Second, we wish to draw attention to the evaluation of attitudes towards labor unions. In India (Question IV.K) the workers as well as management believe that the “Unions should work more positively for improving productivity”. While the Chinese workers also show similar ideas (Question IV.R), it is important to note that a large number of responses also mention that “the unions are doing a great job” (21.5%) and unions should “confine themselves to protecting worker rights” (32.9%).

This seems to be reasonable, although we do not think that the Indian labor unions (shramik-sangh) are directly comparable to the Chinese ones (the government-supported labor unions). While the former is confrontational union with respect to the management (controlling interests), the latter is cooperative union including the communist party and the superior governmental organizations. Therefore, we are interested in knowing whether or not it is possible to apply the so-called bi-polar model.⁷ If applicable, what are the characteristics reflected in the differences in responses in the two countries?

The most interesting aspects of the above observation is that, even restricting ourselves to workers, confrontational relations do not necessarily imply a great psychological distance and cooperative relations do not necessarily indicate enough familiarity. This brief discussion of labor unions is useful given that its characteristics are often seen as a factor determining social typology of culture.

2-2 The R_2 Route

Let us briefly consider the representatives issues within route R_2 . First, work values are perhaps the most important component of the job-consciousness, highly influenced by social values.

This aspect attracted attention long ago and has been widely discussed, for example, in the context of protestant work ethic. Our prime interest, however, does not lie in linking work values to the Hinduism or Confucianism belief systems. We are more concerned with exploring the purpose or the significance of work and its relative position within the context of job-consciousness and other related constructs.

Therefore, if work is largely considered as a means of earning a living, it produces what is called instrumental attitudes to work. The intricate relationship between work ethic and human resource management, has been analyzed as the problem of “commitment”.

Table 6 reflects the attitudes towards significance of work. The Chinese workers are clearly more influenced by wage levels and job context [Hygiene] rather than job content. While the Chinese managers put equal emphasis on job satisfaction, the importance attached to this factor is much less than the Indian managers. Some of the characteristics of the Indian workforce are also reflected in the apparent quest of, especially, workers for a reason to work longer as reflected in the emphasis on human relations.

Moreover, in response to the question about the most important life (Question II.O for Indian and II.F in Chinese Survey), the Chinese seem to put greater emphasis on family life than occupational life or social activities. The Indian workers, on the other hand, predominantly prefer workplace related activities. This fits neatly with the fact that while the Chinese workers tend to have their circle of friends outside the work place, the Indian workers have close friends within the workplace (Question II.N in Indian and II.U in Chinese survey).

Furthermore, in response to the question: “If you are proud of your workplace, is this pride for the company or the job” (Question II.E in Indian and II.L in Chinese survey), the Chinese workers as well as managers emphasise their own work indicating a more individualistic and instrumental stance. The Indian workers and managers, on the other hand, are more committed to the organization itself.

Could we, therefore, interpret these responses to the work ethic related questions as a reflection of “culture”? Indeed, we can easily see the strong desire for freedom of labor mobility and occupational choice in China, in reaction to the long-term employment without choice and too much egalitarian wage system (Table 7). These are regarded as the sufficient reflections of the social values and consciousness.

On the other hand, other studies, such as Muramatsu (1949), have indicated the existence of individualism and strong instrumental attitudes, even in the pre-liberalization Chinese society. This may be a reflection of the historical and traditional social consciousness (culture) transcending the 50 years of socialism.⁸⁾

Table 6 What is the “good job” ?

| (India II G) (China III O) | | 1 a | 2 b | 3 c | 4 d | 5 e | Total |
|-------------------------------|---------------|------------|------------|----------------------|-----------------|-----------|-------|
| | | High wages | Worthy job | Good human relations | Long employment | Easy work | |
| Managers | Indian firms | 5 | 34 | 3 | 3 | 0 | 45 |
| | Chinese firms | 9 | 10 | 0 | 0 | 0 | 19 |
| | Total | 14 | 44 | 3 | 3 | 0 | 64 |
| Workers | Indian firms | 14 | 14 | 6 | 10 | 4 | 48 |
| | Chinese firms | 27 | 24 | 4 | 4 | 2 | 61 |
| | Total | 41 | 38 | 10 | 14 | 6 | 109 |

Note: $\chi^2_M = 11.58^*$, $\chi^2_W = 8.97$, $\chi^2_{LK} = 6.92$.

Table 7 How do you think about the feeling of fairness regarding wage structure?

| (India V I) (China II Q) | | 1 a | 2 b | 3 c | Total |
|-----------------------------|---------------|-----------------|-------------|----------------------------|-------|
| | | Too egalitarian | Appropriate | Too large differentials | |
| Managers | Indian firms | 13 | 11 | 21 | 45 |
| | Chinese firms | 9 | 6 | 4 | 19 |
| | Total | 22 | 17 | 25 | 64 |
| Workers | Indian firms | 9 | 10 | 29 | 48 |
| | Chinese firms | 16 | 25 | 17 | 58 |
| | Total | 25 | 35 | 46 | 106 |

Note: $\chi^2_M = 3.83$, $\chi^2_W = 10.67^{**}$, $\chi^2_{LK} = 1.42$.

Let us now take a quick look at the question of equality. Table 7 reflects the feeling of fairness regarding wage structure mentioned briefly before. It shows a strong feeling inequality in the distribution of worker compensation in India. In China, on the other hand, there is a feeling that this structure is too equal and therefore unjust. That over 30 per cent of the respondents think so is worth noting.

While wage differentials, reflecting performance payments in the form of bonuses, are gradually increasing in China, most firms continue to employ the traditional gradation system for wage payments. This does not take differences in individual capabilities sufficiently into account. Furthermore, wage consciousness (dissatisfaction) reflected in these responses indicates that wage differentials between workers and managerial cadres are just beginning to emerge.

Gender based wage and consciousness differentials between are exceptionally small in China, partly as a result of the socialist ideology (Q III.E for India and III.A for China). In India, on the other hand, while gender equality is usually considered to have advanced, it is not necessarily up to satisfactory standards from the viewpoint of the female workers. Overall, however, the women are used more rationally and face less discrimination in the work place compared to the discrimination they face in the society at large.

Finally, let us look at the issues related to social evaluation of occupations. Tables 8a and Tables 8b present the evaluation results of socially most and least desirable occupations. This question was included in the survey to (a) discover the Indian and Chinese attitudes towards managerial occupations and, (b) to place the hypothesis that the structure of social value of occupations tends to converge with development, in a proper perspective.⁹⁾ As a matter of fact, the results of our survey show a very low value placed on managerial occupations in both India and China. These countries differ fundamentally from the US and Japan in this respect. Moreover, it is interesting that technicians receive a very low value in China, quite different from even the Soviet Union, a similar socialist country (See, Inkeles and Rossi, 1956).

Even though the responses of the Chinese workers and managers differ somewhat, doctors and primary teachers are apparently highly valued in both China and India. However, whether this is the direct result of the importance attached to early education, is questionable¹⁰⁾ and is closely related to the social value placed on education.

In case of China, taking Cultural Revolution era as a typical example, deep rooted repulsion for intelligentsia and undervaluation of education have coexisted within the public mind. Such attitudes towards education are naturally reflected in the job-consciousness to a certain extent. Table 9 provides

Table 8a What is the socially most important occupation?

| (India V A) (China III K) | | 1 a | 2 b | 3 c | 4 d | 5 e | 6 f | 7 g | 8 h | Total |
|------------------------------|---------------|-------------------|----------|-----------|-------------------|---------|--------------------|---------------|-----------|-------|
| | | Medical doctor | Engineer | Professor | School teacher | Soldier | Company manager | Govt official | Policeman | |
| Managers | Indian firms | 44 | 9 | 15 | 40 | 12 | 3 | 6 | 3 | 132 |
| | Chinese firms | 4 | 3 | 9 | 11 | 8 | 6 | 11 | 5 | 57 |
| | Total | 48 | 12 | 24 | 51 | 20 | 9 | 17 | 8 | 189 |
| Workers | Indian firms | 54 | 8 | 11 | 39 | 16 | 5 | 7 | 4 | 144 |
| | Chinese firms | 30 | 12 | 10 | 39 | 22 | 13 | 16 | 31 | 173 |
| | Total | 84 | 20 | 21 | 78 | 38 | 18 | 23 | 35 | 317 |

Table 8b What is the socially *least* important occupation?

| (India V A) (China III K) | | 1 a | 2 b | 3 c | 4 d | 5 e | 6 f | 7 g | 8 h | Total |
|------------------------------|---------------|-------------------|----------|-----------|-------------------|---------|---------|---------------|-----------|-------|
| | | Medical doctor | Engineer | Professor | School teacher | Soldier | Manager | Govt official | Policeman | |
| Managers | Indian firms | 2 | 0 | 1 | 1 | 1 | 9 | 11 | 19 | 44 |
| | Chinese firms | 0 | 2 | 1 | 1 | 1 | 5 | 2 | 0 | 12 |
| | Total | 2 | 2 | 2 | 2 | 2 | 14 | 13 | 19 | 56 |
| Workers | Indian firms | 0 | 4 | 2 | 0 | 2 | 4 | 6 | 28 | 46 |
| | Chinese firms | 3 | 5 | 2 | 3 | 0 | 16 | 15 | 1 | 45 |
| | Total | 3 | 9 | 4 | 3 | 2 | 20 | 21 | 29 | 91 |

Table 9 About the education-based wage and promotion system

| (India V J) (China III E) | | 1 a | 2 b | 3 c | Total |
|------------------------------|---------------|------------|------------------------------|---------------|-------|
| | | Reasonable | OK but other criteria too | Inappropriate | |
| Managers | Indian firms | 12 | 33 | 0 | 45 |
| | Chinese firms | 0 | 14 | 5 | 19 |
| | Total | 12 | 47 | 5 | 64 |
| Workers | Indian firms | 19 | 26 | 2 | 47 |
| | Chinese firms | 3 | 36 | 22 | 61 |
| | Total | 22 | 62 | 24 | 108 |

Note: $\chi^2_M = 16.91^{**}$, $\chi^2_W = 28.58^{**}$, $\chi^2_{LK} = 5.38$.

the response to the question: “Can we use education as an effective yardstick to measure remuneration and promotion?”

The Table clearly indicates that, in stark contrast to India, there is great resistance to the use of education as a major factor in labor management in China. A similar conclusion can be drawn from responses to the question regarding the necessary managerial quality (Q. IV.A for India and IV.B for China). We can find that while experience and charisma were sufficiently stressed, education was almost completely ignored.

In spite of recent rapid spread of education and an awareness about its importance for the future generations, the workers are not able to fully enjoy its fruits. Therefore, the attitude towards education strongly reflects the psychological ambivalence of the workers who have been excluded from access to higher education through selective weeding.¹¹⁾

3. Firm Hierarchy and Transfer of Management

As mentioned earlier, joint ventures with foreign firms invariably involves introducing labor management policies and its underlying ideology, the management philosophy, and behaviour

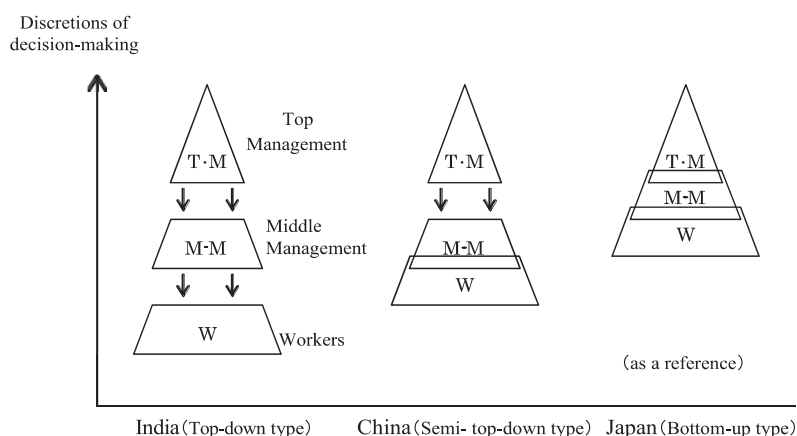
standards. This is nothing but a sort of “cultural transfer” – a part of the value system, embodying the traditions, institutions, and managerial philosophy, hitherto flourishing in a different cultural environment, is transplanted.

If the societies, to which the management is being transferred, differ markedly in their social and cultural make-up, it is obvious that the response of employees in such joint ventures will also differ substantially (see Figure 2). To confirm these differences, let us analyse the response of the employees in the joint ventures that were included in the two surveys mentioned earlier.¹²⁾

There are two points that we need to confirm before undertaking this analysis. First, we need to know the cultural significance of the introduction and transfer of management techniques and labor management practices by the Japanese joint ventures. In other words, we need to understand the impact and significance of the transfer of the so-called “Japanese management” on the awareness and values of the local managers and employees.

Second, we need to be aware of the characteristics of internal organization of the firms introducing such new and different management practices. That is, we need to have some idea of the characteristics of the decision-making structures before the firm entered the joint venture or more generally of the local firms (non-joint ventures). This is because the same management techniques can have substantially different implications based on these initial characteristics.

Let us begin with the second issue first. Figure 3 is an attempt to conceptualize the internal hierarchy of the firm by looking at the degree of discretion in decision-making and remuneration in comparison with the Japanese situation.¹³⁾ In case of China, the wage and educational differentials between middle management (M-M) and the workers (W) are minimal. In relative terms, even the decision-making and discretionary powers of the middle management are also limited. While the internal wage differentials have generally increased and middle management functionality has been more favourably evaluated since the introduction of the result oriented, ability based pay component



Note:

The hierarchical structure is considered to be composite results of educational backgrounds, wage structure, the degrees of social elite and job-status structure. Overlappings mean the easy movement between classes (i.e. internal promotion).

Figure 3 Hierarchical structures in a firm

and bonuses, the changes are as yet insufficient.

On the other hand, since the concept of “executive” was firmly established, promotions to managerial positions and class divisions were well defined (leaving remuneration aside). As a result, the white-collar class in the middle is increasing in size and the limits on its authority in decision-making are becoming increasingly ambiguous. A clarification of the functions of middle management, greater authority and improved remuneration can have substantial effect on efficiency of the Chinese state owned enterprises.

The top management (T-M) class was traditionally composed of people deputed or nominated from higher government jurisdiction and also acted as the secretary of the firm level party executive committee (or may be it was the other way round). But, after the reforms, firm autonomy has been gradually strengthened. Despite various ups and downs, the positions of the party secretary and the factory-head are increasingly separated. The operation of the plant is now left to the factory-head (manager).

Still, as yet, it is difficult to find high-quality managers and entrepreneurs. The influence of political elite is still strong and a large proportion of the managerial posts are still not filled through internal promotion. In any event, there is a substantial gap in the decision-making powers of the top and the middle management. The differences in educational qualifications and party experience are also perhaps quite obvious. One-sided, top-down decision-making is commonly practised.

In case of India, on the other hand, the gap between the middle management and the workers is also quite large with respect to wages, educational qualifications and discretionary powers (see, Kiyokawa, *et al.*, 2002).

Again, communications among middle level managers usually take place in English. As a result, quite often, managers from a different region are not fluent in the local language and therefore have problems coming to a joint understanding with the workers. Moreover, cultural differences, such as differences in religious beliefs, add to job based differentials increasing the psychological distance among the employees within the organization.

Since possessing a graduation certificate or specialized educational qualifications is highly valued, it seriously undermines the importance of hands-on guidance on the shop floor by technicians. Indian technicians differ substantially from their counterparts in Japan and China in this respect.

As a result, it is not surprising that the distance between the top and middle management in terms of decision-making is also substantial. Besides salary differentials, educational elitism and the caste and class origins of the family are also widespread. This naturally results in a top-down command structure.

To the extent that class structure of individual firms differs, one can expect differential response to “management transfer” even if the latter is similar across the firms. Here, let us first briefly clarify what we understand to be the core content of management transfer that the Japanese joint ventures are trying to affect through introduction of their personnel policies and other management practices and principles. In other words, we must identify the character of “Japanese style management”.

That is, at the time of closing the contract, most Japanese affiliates, having inculcated closer relations with local workers and technicians, gradually introduce regular job rotation to nurture multi-skilled workers while emphasizing the significance of teamwork. Workers are also made aware of the

importance of quality control and technological innovation through the operation of QC circles. Dress code (uniform), morning meetings and exercise, company level sports meets and picnics, the practices usually seen in the Japanese firms, are also introduced simultaneously.¹⁴⁾

Barring the systems, such as the life-time (long-term) employment and the seniority based wages, that are strongly influenced by the labor market in the receiving country and are effective only in the long run, management practices that can raise efficiency in the short-run are introduced in a multi-dimensionally fashion in line with the managerial and technological level prevailing in the local firm.

Moreover, these so-called “Japanese style management” practices are widely known to emphasise shop floor, technological activism, paternalistic management and flexible production. However, the fundamental philosophy behind the introduction of such management practices is to reduce the psychological distances within the firm hierarchy – between managerial staff and the workers or among workers – to inculcate a sense of “solidarity” within the firm (see, Figure 3).

Whether it is paternalistic management or bottom-up approach to decision- making, these practices are introduced with a view to increase market competitiveness by promoting the values of (1) equality and (2) group-ism (teamwork). These Japanese values and culture are thus introduced into the local firms along with the introduction of the management practices.

How did the joint ventures in India and China respond to the introduction of such “Japanese style management”? Table 10 presents responses to the question: “Would you work for this firm till retirement?” The first thing that draws attention in this table is that about 20% of the employees, whether managers or workers were already considering a move to another firm (same as for the non-joint ventures).¹⁵⁾

Another feature that stands out is that while the proportion of employees responding that they will work in the joint venture till retirement does not differ from that in the non-joint venture firms (numbers omitted) in China, in case of India, the proportion is significantly higher for both the workers and the managerial staff. This tendency is more evident in the case of the workers and reflects the high degree of job satisfaction due to relatively higher wages and smaller wage differentials within the firm.

Table 11, on the other hand, presents the response to the question regarding the “most important life”. While both, the workers and managers in India put relatively greater emphasis on the workplace, the Chinese workers place greater emphasis on family life. In case of the managers, however, contrary to the managers in non-joint venture firms, 60% (30% in case of non-joint ventures)

Table 10 Do you plan to work till retirement age?

| (India II B) (China III M) | | 1 a | 2+3 c | 3 b | Total |
|-------------------------------|------------------------|-----------------|----------------------------------|--------------------------------|-------|
| | | Till retirement | Not decided but for some time | Will search for other firms | |
| Managers | Indian joint ventures | 27 | 34 | 18 | 79 |
| | Chinese joint ventures | 10 | 8 | 6 | 24 |
| | Total | 37 | 42 | 24 | 103 |
| Workers | Indian joint ventures | 48 | 7 | 19 | 74 |
| | Chinese joint ventures | 23 | 20 | 13 | 56 |
| | Total | 71 | 27 | 32 | 130 |

Note: $\chi^2_M = 0.75$, $\chi^2_W = 13.96^{**}$, $\chi^2_{LK} = 10.52^{**}$.

put workplace before the family life. It is possible that the managerial attitudes in Chinese joint ventures are beginning to get affected by “Japanese style management” to some extent.

The answers to the question regarding the “preferred type of competition if needed” (Q. V.E for India and II.L for China), while the employees in non-joint ventures in China preferred inter-personal competition, employees in the joint ventures were aware of the significance of group competition, not much different from the response elicited from Indian employees.

Next, we turn to attitudes towards technological progress. As depicted in Table 12, the concept of economic obsolescence is poorly developed in Indian workers who seem to be under the influence of the “traditional depreciation” ideology – that the machinery should be used till it physically wears down. In contrast, the Chinese workers do understand that sometimes it is important to discard old machinery to introduce new. In this sense, the technological activism of the “Japanese style management” system may be seen as well established in China.

Table 13 reveals how introduction of morning assemblies as a tool to tighten work discipline and building up solidarity is seen in the two countries. It is clear that the while the Indian managers and workers are positive about the significance of the Japanese style morning assemblies, the Chinese appear to be rather unimpressed.

A similar phenomenon can be seen in responses to the firm based recreational activities (Q. III.I for India and V.G for China), use of uniforms (Q.III.G and V.E), and provision of common dining and toilet facilities for the managers and workers Q. III.F and V.D). Moreover, technological guidance by the superiors (Q. V.N for India and IV.M for China) and opportunities to talk directly to the superiors (Q. V.O and IV.N) are quite common in India though very limited in China.

Table 11 What is the most important life?

| (India II O) (China II M) | | 1 a | 2 b | 3 c | Total |
|------------------------------|------------------------|-------------|--------------|-------------------|-------|
| | | Family life | Working life | Other social life | |
| Managers | Indian joint ventures | 34 | 39 | 4 | 77 |
| | Chinese joint ventures | 9 | 15 | 0 | 24 |
| | Total | 43 | 54 | 4 | 101 |
| Workers | Indian joint ventures | 27 | 40 | 6 | 73 |
| | Chinese joint ventures | 37 | 17 | 2 | 56 |
| | Total | 64 | 57 | 8 | 129 |

Note: $\chi^2_M = 1.92$, $\chi^2_W = 10.79^{**}$, $\chi^2_{LK} = 7.59^*$.

Table 12 About the introduction of the new machine embodying technical innovation

| (India IVD) (China IVD) | | 1 a | 2 b | 3 c | Total |
|----------------------------|------------------------|---|------------------------|---------------------------------------|-------|
| | | Introduce even if old machines scrapped | Not need for some time | Introduce after old machines obsolete | |
| Managers | Indian joint ventures | 54 | 10 | 13 | 77 |
| | Chinese joint ventures | 17 | 5 | 2 | 24 |
| | Total | 71 | 15 | 15 | 101 |
| Workers | Indian joint ventures | 34 | 15 | 25 | 74 |
| | Chinese joint ventures | 47 | 4 | 5 | 56 |
| | Total | 81 | 19 | 30 | 130 |

Note: $\chi^2_M = 1.66$, $\chi^2_W = 19.67^{**}$, $\chi^2_{LK} = 7.55^*$.

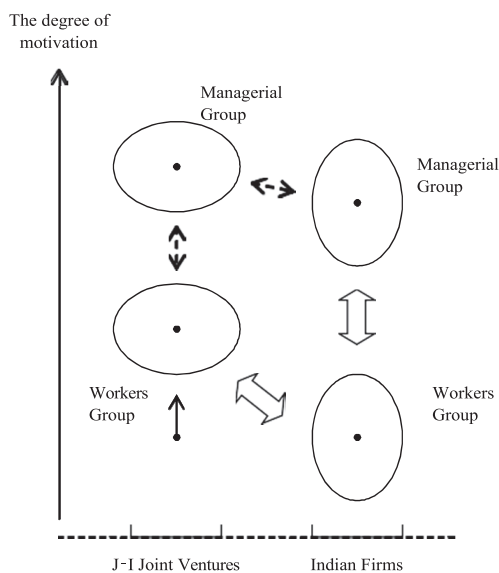
Overall, while the Indian joint ventures are generally favourable to the whole set of the transferred Japanese style management practices. The Chinese joint ventures, on the other hand, are much more favourable to measures directed at technological improvements such as introduction of new technology and tightening of quality control than to the other so-called “Japanese style” managerial practices.

The source of such a contrasting behaviour between the two countries is lucidly revealed by the example of workers in the Indian Joint ventures. An analysis of job-consciousness taking into consideration “commitment”, “job satisfaction” and “attitudes towards technology and quality” in Kiyokawa *et al.* (2002), revealed higher levels of motivation in the joint ventures (compared to non-joint ventures), especially the workers, as a result of strong “organizational solidarity” (see Figure 4).

Table 13 The necessity of the morning meetings

| (India IIIH) (China VF) | | 1 a | 2 b | 3 c | Total |
|----------------------------|------------------------|---------------|------------------------------------|-------------------------------------|-------|
| | | Not necessary | Necessary for unity and discipline | Necessary only if the work requires | |
| Managers | Indian joint ventures | 5 | 49 | 25 | 79 |
| | Chinese joint ventures | 2 | 4 | 18 | 24 |
| | Total | 7 | 53 | 43 | 103 |
| Workers | Indian joint ventures | 5 | 52 | 17 | 74 |
| | Chinese joint ventures | 9 | 4 | 43 | 56 |
| | Total | 14 | 56 | 60 | 130 |

Note: $\chi^2_M = 15.76^{**}$, $\chi^2_W = 52.06^{**}$, $\chi^2_{LK} = 5.54$.



Note: \leftrightarrow indicates the differences are significant, and \longleftrightarrow the differences insignificant.

Source: Kiyokawa, *et al.* (2002), p.144.

Figure 4 The total effects of transfers of Japanese style management

The differentials in terms of authority and remuneration among the Indian workers and middle management are usually large as was shown conceptually in Figure 3. The introduction of various Japanese style HRM policies in the Japanese joint ventures tend to reduce these hierarchical differences, including the psychological distance between the management and the workers.

One can also say that such a functionality of the Japanese style HRM is the result of its development within the Japanese firms with very small hierarchical differentials. It is certain, however, that such differential reducing policies are highly welcome in India, especially among the workers.

In case of China, on the other hand, the distance between the workers and the middle management is already sufficiently small. Therefore, introduction of HRM policies directed at building firm solidarity are not that attractive. Besides, the characteristics of the Japanese style HRM – paternalistic management, highly equitable wage structure, lifetime employment, well-developed firm level welfare system – all are characteristics that were criticized as the shortcomings of the pre-reform Chinese economic system.

As a result, barring technological activism, scepticism towards the introduction of such attributes is quite understandable. Thus, the same Japanese style HRM policies are get a completely different reception depending on the hierarchical structure of the receiving firm.¹⁶⁾

4. Culture and Personnel Management

The hierarchical structures of a firm and its organization are a reflection of the underlying cultural traits. That is, the hierarchical structure is not determined simply by industrial organization and labor market characteristics. It also depends on wider educational structure, the actual state and the development of income distribution, and social milieu within which entrepreneurs (managers) emerge and therefore reflects the values and attitudes of the people. The observed differences in job-consciousness between the Chinese and the Indian firms, therefore, also reflect the underlying cultural differences.

As a result, the transfer of the so-called “Japanese style management” by the Japanese joint ventures was nothing but part transfer of Japanese cultural values of equity and group-ism and elicited differential response. That is, since China is closer to Japan in cultural terms, there was a psychological reluctance to transfer of “Japanese style management” and attitude towards technological and quality improvement (technological activism) was the only major attribute to be actively pursued. In contrast, in culturally distant India was highly favourable to the “Japanese style management”, including the values and the thinking it represented.

As a result, impact of management transfer through joint ventures, as shown in Figure 2, is restricted to a very small part of Route R_1 in China while India can obtain productivity improvements through both, the R_1 and R_2 routes. Since the direct effect (route R_2) on the way of thinking of the people tends to be large, the implication of entry by Japanese joint ventures in India is more significant.

That is, the response to the personnel policies of the joint ventures brings out the stark contradictions between the underlying value systems or culture and job-consciousness into a sharp relief. More generally, the personnel policies that bring about the most desired transformation in job-consciousness are strongly predicated on the nature of the “work culture” underlying such

consciousness.

It is possible to look at the concept of job-consciousness in terms of a number of major constituent concepts. However, it is important to note that such job-consciousness itself is affected not only by the managerial policies of the firm (route R_1) but is also heavily influenced, directly and indirectly (routes R_1' and R_2), by the underlying work culture.

In the final analysis, job-consciousness is influenced by factors such as the prevalent work ethic in the society at large, attitudes towards economic rationality (market values), job awareness, progress and education, attributes going far beyond the narrowly defined organizational culture of the firm. That is precisely why we focused on this aspect.

Let us rearrange the characteristics of the work culture along three dimensions:

(1) the degree of group-ism (in contrast to individualism); (2) degree of egalitarianism; and, (3) degree of competition orientation. In interpreting the results of the job-consciousness survey results, these factors emerge as the most fundamental characteristics influencing productivity improvement.¹⁷⁾

The picture that emerges by arranging the work culture of India and China in terms of these three dimensions, we get something like Figure 5. This indicates that in case of China, for example, appropriate personnel policies for a joint ventures would be ones that provide incentives to elicit high motivation level through stimulating competitive tendencies by allowing for some amount of individualism rather than the Japanese style group-oriented policies.

It will be wise, however, to gradually convince the workers of the significance and benefits of group-ism in production and introduce it so that these individualistic tendencies do not overshoot to become “selfish” tendencies. People’s perceptions do not change overnight but only gradually over time. In any case it is impossible to change the personnel policies significantly without transforming job-consciousness.

That is why work culture, the most important factor influencing indirectly job-consciousness, and directly efficiency of firm organization and attitude of people towards modernization, is the nucleus of a set of factors that eventually affect the process of “development dynamism”. It is, therefore, not an overstatement to say that the characteristics of work culture as depicted in Figure 5 determine the

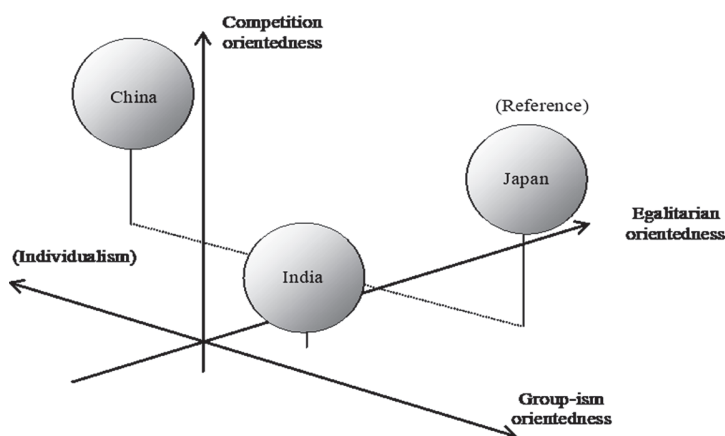


Figure 5 Three major dimensions in Work Culture

ease or difficulty of development.

However, work culture itself is influenced more generally by the existing political and social systems, distribution of wealth, historical inheritance. In order to understand these influences, we take a brief look at the cultures of India and China in the next section and its impact on economic development and formation of modern work- force.

5. Indian Culture and the Formation of Modern Industrial Work Force

(1) Lack of work discipline and low productivity of the Indian workers is often referred to. Kiyokawa (2003, Part II) tried to find out whether this was due to inherently low quality of the work force or is there a problem with personnel management as such by focusing on job-consciousness of the seasonal, women and Muslim workers that are usually seen to be qualitatively problematic segment of the work force. As a result, we were able to confirm that the seasonal workers could not be characterized as unstable work force compared to the regular employees in terms of either the traditional indicators such as absenteeism or turnover or in terms of their job-consciousness. Similarly, in case of female work force as well, their enthusiasm for and commitment to work, if not more, is in no way less than their male counterparts. Finally, in case of the Muslim workers as well, with stricter religious commandments and tendency to put religious ceremonies such as prayers and fasting before work, we could not find any evidence of a lower job-consciousness compared to their Hindu counterparts. This may be due to the fact that these religious ceremonies, in practice, are performed in quite a flexible manner and therefore do not hinder labor discipline.¹⁸⁾ Therefore, if there is a problem with the workforce, it has probably to do with human resource policies. Our panel survey, in fact, indicated that it was the more committed workers than the others were leaving their jobs. One could say that since the existence of substantial overt and covert unemployment in the urban labor markets allows the firms to employ sufficient number of new or replacement workers, very little attention is being paid to maintain or improve labor quality. This causes lower productivity and lax work discipline among the existing workers and raises impediments in the spread of competitive awareness and development of professional work ethic.

(2) For example, the employees' attitude towards job as an acquired right, that is, an intangible asset that can be disposed of to family members, relatives or friends – the so called “job equals asset” hypothesis – in fact reflects a slack in personnel management allowing for practices resembling the erstwhile “badli” (substitute workers) system. We may point out, once again, that a legal ban and thoroughgoing personnel management were instrumental in uprooting such attitudes and practices in China where a very similar substitute system previously existed. If the personnel management system allows the production process to be partly treated as private property, the problem lies with the management.

That is to say, the Indian personnel management system is bedevilled with serious communication problems due to the existence of large hierarchical differentials as depicted in Figure 3. That is to say, due to quality (in terms of knowledge and educational levels) problems of the supervisors (including lower middle management), creation of a common understanding among the managers and workers is often a casualty. To begin with, such problems may have been related to the hierarchical structures.

But the fact that these problems continue to exist to date indicates that it is the culture – the social system that takes the caste based society as a prior – that determines the hierarchical structure of the firms. This results in the formation of diverse caste based peer groups within the firm, giving rise to rampant vertical and horizontal sectionalism. On top, since middle and higher education tends to be limited to middle and high castes only,¹⁹⁾ the hierarchical rupture and the lack of “solidarity” becomes all the more serious.

Thus, the existence of caste culture significantly influences the structure and nature of the firm organization and acts as an impediment in the spread of professional attitudes towards work and competition among the employees. At the same time, however, as shown in Figure 6, caste culture also affects the work ethics of the people directly. In terms of “employment equals asset” attitude, there seems to be a feeling within the workers and the society that a job should be maintained and inherited within a caste group²⁰⁾ and should be preserved for family and relatives in case the incumbent retires or leaves the job. Inability to throw-off such traditional attitudes is also reflected in the “job equals asset” type of understanding. The caste system significantly affects the job-consciousness of individual workers in many other ways as well. For example, since the caste system is also characterised by a sort of work-sharing arrangements, it is almost impossible for the workers to participate in jobs that go beyond the recognized boundaries of the job specification structured around a detailed caste division.

Such tendencies and work attitudes, however, create a number of problems for factory workforce. For example, attempts to nurture multi-skilled, generalist workers in India through fine changes in deployment, usually meets resistance from the workers. Again, while workers may be expected to keep their own workplace within the production line clean and ordered, in reality, these jobs are considered to be for lower- caste workers and therefore not well performed.²¹⁾ The existence of such rigid caste considerations makes it more difficult to improve the situation in India. Similarly, the deep-rooted awareness of caste system can also be seen in other features of job-consciousness such as family orientation and gender awareness. However, our research indicates that the discrimination against the weaker segments, the women, and Muslims, in the work place is much weaker than its

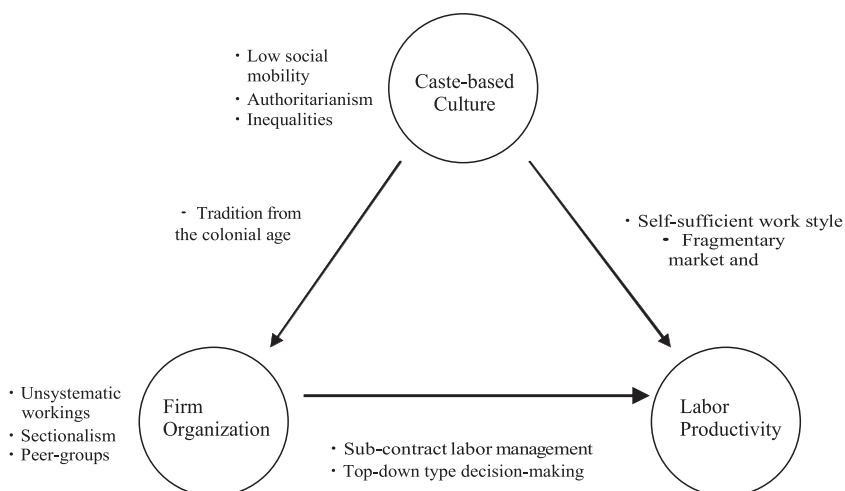


Figure 6 Indian economic society [Hierarchical]

prevalence in the broader society. In this sense, the “factory” where, even though insufficiently, economic rationality must prevail, is a “school for modernization”.

(3) Besides the caste culture, in discussing the social attitudes towards production environment in case of India, one needs also to touch upon the colonial view of the firm and personnel management. This is due to the fact that the behavioural patterns and traditions of the colonial times still cast shadows on the personnel policies of many firms. The widespread use of the Managing Agency System is one such example.²²⁾ It is a well-known fact that the major Indian firms during the British colonialism delegated the leading managerial functions (centred capital procurement) to specialized agencies. This implied that not only was the top management unable to fully comprehend work environment of the workers, but also had problems in coming to an understanding with the middle management due to a lack of knowledge about technology and personnel management. That such a system was being widely used in the post-independence India until 1970 undoubtedly implies that this had a huge impact on the hierarchical structures (Figure 3) and personnel management system of the Indian firms. It is, therefore, understandable why indirect personnel management (including the Badli system), though not as widespread as the colonial jobber system,²³⁾ is not considered a significant malaise. Second, though related to the Managing Agency System, the scale of modern factories constructed in India during the colonial period tended to be quite large (compared to, for example, Japan). While the fact that the British managed most of the managing agencies played a part, this also reflects the uncritical import of the information about technology and construction mostly from the most advanced countries of the time. This resulted in adoption of production scale substantially different from the one dictated by the managerial capabilities and labor quality within India and often caused a loss in efficiency.

Third, the protective and social laws, such as the Factory Act, in India closely followed those in England, its colonial master. While the Indian Factory Act was somewhat lax compared to that in England, it was much harsher for the level of development in India at the time. The Indian factory legislation, therefore, was more advanced compared to that of Japan or China. Such excessive burden not only resulted in less than full compliance of the Factory Act but also caused a loss of willingness to abide by the spirit of the law.

These colonial laws and industrial practices greatly influenced the formation of a peculiar industrial culture even in the post-independence period. In combination with the authoritarian aspects of the caste culture, this industrial culture strongly sculptured the bureaucratic firm organization and market system. The cumulative development of the heavily regulated giant state enterprises and other public sector is a case in point. The economic and market values inherent in such a system are reflected in the introduction of large projects from socialist countries, like the Soviet Union, in complete disregard of profitability and adoption of a licensing system of allocation ignoring the need to develop a competitive market.

(4) It is not easy to nurture a modern industrial workforce in such a cultural and organizational environment. Besides, the main bottleneck for India is not the quality of the workers (potential) but the managerial capability and their attitude. In this regard, the following two reforms need serious consideration.

First, further liberalization of the market, introduction of more foreign capital and setting up of joint ventures should be supported. It is very important to introduce and implement more

efficient management practices and ideology through transfer of management that takes place through introduction of foreign capital. A change in the attitude of the people concomitant on contact with a different culture that is introduced to a certain extent as a part of management transfer needs special mention. Our analysis here and in Kiyokawa *et al.* (2002) indicates that the transfer of “Japanese style” management imparted a great sense of “solidarity” to the workers’ job-consciousness resulting in considerable rise in motivation.

Generally, though improved personnel management requires a change in attitudes of the workers, it is not an easy task to achieve. In this sense, the management transfer plays an invaluable role in bringing about attitudinal changes. The new personnel management practices and concepts bring in their wake a rise in competitive awareness and greater affinity to functional work ethic and results in higher motivation and provides an effective and important route for the formation of modern industrial workforce.

Second, in a long-run perspective, nurturing and developing human resources through technological and industrial education leads eventually to better quality personnel management. In case of India, partly a relic of the colonial period, the scale of higher education is proportionately quite large compared to the spread of the primary and middle education. Moreover, following the traditions of England, education concentrates on Arts.²⁴⁾ To rectify this situation, engineering education must be put on sound footing and specialized technological training at secondary level expanded. A mass expansion of specialized and middle level technologists will lead to an improvement in the quality of the middle management and eventually to the development of a modern industrial workforce.

6. Chinese Culture and the Formation of Modern Industrial Work Force

(1) An analysis of the relationship between Chinese enterprise reform and job-consciousness (Kiyokawa, 2003) revealed that the job-consciousness of the workers, including professional work ethic, commitment to work and market orientation, have taken root in the wake of repeated Chinese enterprise reforms. Put differently, the success of the institutional reforms propelling China towards a market-based economy was based on the smooth transition in job-consciousness of those adapting to such reforms. The speed and the extent of transition or the in job-consciousness may differ. Generally, job-consciousness of the managerial staff, their professionalism and commitment, is expected to be higher than that of the workers. However, there is a caveat. Job-consciousness of the employees (managers as well as workers) in firms that are far ahead in the institutional reform process is higher than of those in firms lagging behind. However, it is the difference in the extent of institutional reform that is important and not the differences in ownership, such as state owned or collective enterprises. Differences between joint ventures and the local firms are much starker due to added dimensions of management and technology. It is interesting to note that job-consciousness of the communist party members and white-collar workers is also high and not much different from that of the managers. In contrast to India, China is also characterised by very little variations in job-consciousness of the male and female workers. In addition, The Chinese firms show a stronger individualistic orientation and instrumentalist attitudes.

While job-consciousness differs substantially between the managers and the workers, working

conditions (such as remuneration) and authority do not differ as much (Figure 3). In recent years, especially with the rapid growth of the white-collar class, the erstwhile concept of “leadership” has become increasingly vague. Although gradually, wage levels in China are increasingly linked to productivity and the managerial functions are being increasingly valued. As the authority of the managers increases, their remuneration is also rising. In any case, the factors affecting differences in job-consciousness seem to lie beyond working conditions. Therefore, improved working conditions, while increasing “job satisfaction”, cannot directly increase professionalism or commitment. These major components of job-consciousness are affected by (1) individual characteristics such as position, educational level, and elitism (party membership, etc.), and, (2) the economic environment within which the firm operates (level of regional development, degree of market penetration etc.).

A gradual acceptance of the market principle and competitive attitude is definitely discernible, socialist work ethics and economic ideology continue to influence the day to day economic activity and behaviour in certain aspects. A brief look at the vestiges of such influences can be useful to get an idea about the contribution that socialist economy and culture tried (or is trying) to make.

(2) Officially, it is believed that the contemporary Chinese economy, in principle, is a socialist economy based on the Marxist theories of Mao Zedong and Deng Xiaoping, though gradually moving from a centralized planned economy to a “socialist market” system.²⁵⁾ However, the applicability of the concept of socialist market economy in terms of its content and coverage is problematic. Even if we leave aside the question of the four basic principles and the political system, it is clear that China, for a period of over half a century, has maintained a socialist economic system. It is therefore necessary to look at the impact of such a system on economic ideology and work ethic from a macro- perspective. In other words, we need to look at the impact of socialist culture and principles on economic attitudes of the people.

It is not easy to identify the fundamental theorems of a socialist “market” system but it is characterised at least by (1) collective (public) ownership, emphasising, besides efficiency, (2) equality (egalitarianism), and (3) group-oriented distributive principles with priority on securing (4) employment and wages. As such, the various problems faced by Socialist China were inevitable in the process of implementing these fundamental principles (Figure 7). For example, egalitarian principle applied mechanically without reference to individual capabilities and contributions, results in a malignant egalitarian system. Similarly, a distribution system with a single-minded focus on secure long-term employment and wages inevitably results in a lifetime employment system bedevilled with the problems of productivity and work discipline. And if collectivism stresses excessive socialistic welfare guarantees, the production unit has to be transformed into an uneconomic unit to provide various community services. Furthermore, if the communist party guidance permeates every nook and corner of the economy, it results in the party secretary in the firm acting as factory chief as well. Consequently, real managerial and decision-making capabilities within the production unit fail to emerge.²⁶⁾

These shortcomings, peculiar to a socialist economy, significantly affect the attitudes and job-consciousness of the people resulting in a lacklustre performance and long-term stagnation of the economy. With the introduction of economic reforms for transition to a market economy since 1979, professional work ethic and market orientation have increased markedly reducing the impact of the

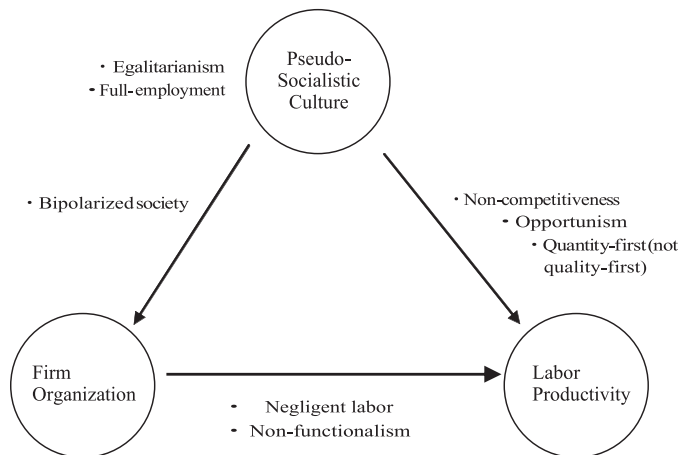


Figure 7 Chinese economic society [Horizontal]

shortcomings noted above.

However, we cannot say that socialist culture and principles affected economic development only negatively. For example, the rapid progress of primary and middle level education despite the low level of per capita income was possible only because the pursuit of socialist ideals allowed priority allocation of investment in this sector. Similarly, emphasis on and the progress of science and technology was logical objective of a society aiming for scientific socialism. These contributions are both necessary and indispensable for the modernization process.

Undifferentiated application of egalitarian principles to male and female workers allowed for an all-round development of women's capabilities and contributed, in the long-run, towards formation of an important asset. Finally, while egalitarianism definitely created disincentives for some (psychological), it also proved instrumental in stimulating the large low-income sections of the society who did not have access to educational opportunities.

(3) Thus, we can observe a strong relationship between socialist culture and people's job-consciousness. The rapid shift to a market economy in recent years is also transforming this consciousness and some researchers have pointed out the similarities to the prewar (pre-socialist) values and consciousness. The most representative such interpretation is the reversion to economic and social values of Confucianism.²⁷⁾ This is an extension of the argument that Confucianism was the common factor in explaining the rapid economic growth of Japan and the Asian NIEs to China.²⁸⁾ This argument presumes that the virtues of learning and importance placed on education, respect for group cooperation, close connections with family, relatives and friends, just as in the case of the Asian NIEs, are basic Confucian values and dominant in mainland China.²⁹⁾ However, whether this argument originates specifically in the Confucian ethics or not requires a rigorous debate. For example, scholars of Confucian thought are agreed that the concept of learning is not necessarily a part of the Confucian work ethic. Terms such as group and "connections" mean different things in China and Japan. These differences, rather than being a product of Confucianism, may result from differences in the nature of uncertainty, the quality of information, social level of "trust" and the way a society responds to such characteristics.

Furthermore, we need to place some reservations on the simplistic assumption that the Chinese culture is nothing but Confucian.³⁰⁾ As is evident from the definition, culture is the expression of the set of common understandings, feelings, and value premises that are mutually acceptable to all the people. Half a century is time long enough for these feelings and understandings to change in response to changes in the social conditions. It is quite clear, for example, that the awareness of male-female equality underwent substantial change with the advent of socialism. Therefore, one cannot overemphasise the importance of traditional Confucian principles in determining work ethic and job-consciousness. On the other hand, since social system itself is an institution, certain aspects of culture may remain uninfluenced by institutions and organizations, in particular the values that govern inherent human nature.

Based on our earlier comparison of the Indian and Chinese employees, we can say that Chinese workers are highly individualistic, judge significance of work by the amount of remuneration received, with a weak commitment to organization but a strong competitive nature. As mentioned before, these characteristics resemble closely the attitude and behaviour of the Chinese workers before the war.³¹⁾ As was pointed out there, the Chinese workers are not necessarily group-oriented. It is difficult to discern if it is a reaction to the socialist society or a reversion to the basics of market-based society. It is, however, abundantly clear that job-consciousness, at least, is influenced not only by socialist culture but also by the culture of a market economy.³²⁾ Putting the issue of the cultural determinants of job-consciousness aside for the time being, let us see the significance of the characteristics mentioned above for the formation of modern industrial workforce in China.

If we defining the formation of a modern industrial workforce as a highly “motivated” workforce, we cannot avoid the feeling that the Chinese work force is still not up to the scratch. This is because, given the instrumental attitudes to work and low commitment, it is difficult to transform and nurture a workforce with sustained motivation over the long run. From a different viewpoint, however, Chinese workforce is sufficiently professional and market oriented with a hunger for competition and a fairly high educational level. As a result, with rigorous and rational personnel management, the Chinese workforce is sufficiently “disciplined”. For this, what is required most is not an attempt to increase commitment through group-oriented measures but to increase motivation using the traditional incentive structures and skill formation systems. The egalitarian values and the huge educational investments accumulated in the socialist era will prove to be important assets in this process.

Concluding Remarks

The work ethic of Protestantism was, M. Weber considered, indispensable for the birth of Modern Capitalism. G. Myrdal also regarded tradition-based value premises in South Asian countries as one of the largest obstacles to social modernization. H. Leibenstein as well insists that poor labor-productivity due to some X-inefficiencies in LDC's should be overcome by enough motivations with rational functionalism. All of these views emphasize the significance of work values or work culture of people to economic development.

Since modern technology is almost fully standardized and less requests vocational skill, labor productivity of industrial workers ultimately depends upon the work ethic of themselves and managers

directly, and of society (*viz.* culture) indirectly. In this sense, industrialization can be considered as culture-dependent development, rather than historical path-dependent. More specifically, we may identify the work culture that easily promotes the formation of modern laborforce from the one difficult to form modern laborforce, as is suggested by Figure 5.

To find the necessary conditions for the work culture promoting a rapid expansion of modern laborforce, the Japanese experience is very instructive. That is, the Japanese work culture embodies egalitarianism and competition-orientedness under a group-ism production system. These features are fostered by the egalitarian educational system (See Figure 3 and Figure 5). Particularly in the case of Japan, social homogeneity endorses a competitive property in work culture.

Thus, as is suggested in Figure 5, Chinese work culture vis-à-vis Indian one seems to more satisfy those necessary conditions. If Indian society fails to realize a little more equal society, it seems to be difficult for India to catch up the Chinese speed in forming modern laborforce.

Notes

- 1) Culture is considered here as the system of meanings that realize common understanding, common social values, mutual primitive communication, etc. in some specific groups (e. g. nation, ethnic group, social class).
- 2) In what follows, unqualified use of the term managers refers to middle and lower management including supervisors.
- 3) More precise sample sizes are joint ventures 153 and non-joint ventures 95 for Indian firms, while joint ventures 80 and non-joint ventures 87 for Chinese firms. But insufficient answers are deleted in subsequent tables.
- 4) See Kiyokawa (2003), Part III.
- 5) In relation to Figure 2, we may say that while Weber (1904-05) and McClelland (1961) deal with route R_2 , Leibenstein (1987a) and Myrdal (1968) focus on R_1 and R'_1 . Though Hofstede (1980) derives his cultural typology by tracing back from R_1 to R'_1 , most of the works take this typology as fixed and analyze the $R_1 + R'_1$ process. Inkeles and Smith (1974) covers both, $R_1 + R'_1$ and R_2 and the estimated consciousness is much broader than job-consciousness.
- 6) Until 1978, just before the introduction of the reform and liberalization policy, the family substitute system was sanctioned under state rules but was abolished in principle in 1983 and finally completely abolished in 1986 under the state council, *Guo ying qi ye zhao yong gong ren zan xing gui ding* [The provisional rule with respect to the employment of workers in state enterprises].
- 7) Morris (1955) discusses the basics of this bi-polar model in the context of the American and the Soviet types. The Japanese enterprise unions fall somewhere in between the two. The Chinese labor union is discussed in Chen (2001) and Wang (1989). Studies related to Indian unions are numerous and we refer the reader to G.K.Sharma (1971) for a historical discussion and Nagaraju (1981) for more factual analysis.
- 8) Agassi (1979) has pointed out that the difference in the instrumental attitudes to work reflected differences in occupations (industry) and age more than the differences in countries or cultures. Our analysis indicates totally opposite results but does not allow a rigorous analysis due to sample constraints.
- 9) Such hypothesis can be seen in, for example, Inkeles and Rossi (1956) and it includes the Soviet and Japanese examples as well. Ramsey and Smith (1960) compares the US and Japan while McClelland (1961, Ch. 6) includes India and Brazil besides Japan, the US and Germany.
- 10) A number of Chinese researchers, in discussions with us, have argued that the attitudes and employment conditions of the primary teachers reflect simply the necessity for such teachers due to competitive examinations rather than any significance attached to primary education. This may be true for India as well to a certain extent. We may mention here that the respect for teachers, their terms and conditions of

- employment and the awareness about the importance of education during the Meiji and Taisho periods (not in recent years) in Japan was substantially different. Also see, Inkeles and Rossi (1956) and Ramsey and Smith (1960).
- 11) Haraguchi (1995), Tsukamoto (1996), Mannari (1999) and Matsudo and Takada (2000) have conducted questionnaire surveys regarding the social consciousness or job-consciousness based on work ethic for China. For India, the reader is referred to journal articles including those appearing in the *Indian Journal of Industrial Relations*.
 - 12) This includes 80 responses from the two Japanese joint ventures included in the Tianjin survey and 153 responses from three Japanese ventures in the Delhi survey. The questionnaire used for the joint ventures was exactly the same as that for the domestic firms. Details of the questionnaire are discussed in Kiyokawa, *et al.* (2002).
 - 13) In determining the degree of discretion in decision-making, we administered a questionnaire survey to get concrete information on who holds actual decision-making process in India. For China, we depended on the information obtained from the persons concerned during the interviews.
 - 14) Besides, introduction of common room facilities, consultation system, OJT and common dining room is also widespread. For a more concrete discussion, see Chatterjee (1990) and Kiyokawa, *et al.* (2002). Suzuki (2000) discusses these issues in the context of Asia as a whole.
 - 15) Since all the joint ventures have been in operation for about 7-8 years, one can assume that the spirit of the “Japanese style management” is already introduced and well understood. A panel analysis conducted separately revealed that most of those who actually left the job with the joint ventures were those who had indicated that they wished to change their job in response to this question inadvertently providing a post facto confirmation of the responses (see, Kiyokawa, 2003).
 - 16) For a general discussion of the transfer of Japanese style management in Asia, see among others, Ichimura (1988, 1998), Okamoto (1998), Ito (2000) and Suzuki (2000).
 - 17) Hofstede (1980), based on factor analysis of the responses to the consciousness survey, identifies four dimensions in distinguishing most of the countries culturally (also see Kiyokawa, 2003, Chapter 1, p. 45). However, we do not use this methodology since our analysis is focused on a comparison of only two countries and we believe that even if insignificant, there can be un-ignorable factors.
 - 18) It is not clear, however, how far this can be generalized to the Muslim world as a whole. Ahamad and Saiyadain (2000) and Rohmetra (2000), though one needs to be careful about data misprint in the conclusions of the latter, are two of the comparative studies of job-consciousness covering the Islamic culture as well. In case of Indonesia, Takadono (1990), and the “cultural frictions” incidents [“Sony” (June, 2000), “Ajinomoto” (January, 2001)] are also worth pursuing.
 - 19) At present, the top and middle castes – Brahmin (7%), Kshatriya (7%) and Vaishya (6%) – account for about 20% of the population. The discriminated scheduled castes that are given preferential treatment (for example in admissions to National Universities etc.) are estimated at around 25% of the total population.
 - 20) There is a huge amount of literature concerning the caste system but hardly any thoroughgoing analysis of the impact of the caste system on work ethics and market values. Some indirect research is referred to in Chapter 1 of Kiyokawa (2003). Wiser (1936) and Wiser and Wiser (1971) have studies the Jajmani system, the typical example of traditional work ethic that can be seen as a sort of collective division of labor and substitute worker system. Premchand’s novel “Godan” and novels by Mulk Raj Anand are also quite informative.
 - 21) These observations are based on interviews with the head office and the local offices of the joint ventures during the 1988 survey. As a result, most of the Japanese joint ventures have not employed the job-rotation system. Furthermore, the so-called 5S movement has also failed to show expected results. Also see Kiyokawa *et al.* (2002).
 - 22) For Managing Agency System, see Koike (1979) and for more concrete problems of such a system in the context of Cotton Industry, see Kiyokawa (1976).

- 23) For the examples of and the impediments raised by the jobber system, see Kiyokawa (1976) and the literature cited therein.
- 24) According to the Human Development Report (1994) of the UNDP, science graduates constituted no more than 20% of all university graduates even in the 1990s (43% in China). As a result, there were only 3.5 scientists and technologists per 1,000 persons in India (8.1 for China).
- 25) Zheng *et al.* (1999) is probably the clearest exposition of the contemporary Chinese socialist ideology covering the Deng Xiaoping thought. The concept of “socialist market economy” emerged in the 14th meeting of the central committee of Communist Party of China, Nov. 1993.
- 26) Since a planned economy based on stipulated indicators, normally emphasises quantitative targets, people have become less aware of quality considerations. With the introduction of price competition and inflow of foreign capital, quality consciousness is gradually improving.
- 27) This interpretation is emphasised specially in the teachings of Chen (1995) and Wang *et al.* (1998). Lin (1994), while not necessarily accepting that Confucianism represents Chinese culture, refers to a number of studies that point to its usefulness in the process of modernizing contemporary China.
- 28) Though intuitive, the arguments pursued in studies like Kahn (1979), Morishima (1982), Dore (1987), Hofstede and Bond (1988), Vogel (1991) and others had a large following. Also see, Kim (1984) and Mizoguchi and Nakajima (1991).
- 29) Hall and Xu (1990), Ralston *et al.* (1993) and Ralston *et al.* (1996) deal with the question of whether the Chinese managers are Confucian (in a relative sense). However, the assumption that these characteristics are Confucian is not questioned.
- 30) For example, Han and Jia (1989) do not consider Confucianism as a major influence on the Chinese enterprise culture. However, Zheng *et al.* (1999, p. 256), though closely following the official line, feels that Confucian spirit does have some lessons worth learning, clearly admitting the existence of a traditional Confucian culture. These days it is difficult to find the viewpoint that was once represented by the *Pilinpikong* movement during the Cultural Revolution. For a discussion of social values in the post liberalization period, see Ide (1995) and Kiyokawa *et al.* (1999).
- 31) Besides Muramatsu (1949) mentioned earlier, the reader is referred to Kiyokawa (1974) and the literature cited therein. Market conditions and attitudes of the people traced in the novels *Ziye* [The Midnight] and *Linjiapuzi* [The Store of the Lins] by Mao dun, and *Chuncan* [The Spring Silkworm] are also quite instructive.
- 32) From a slightly different perspective, those who till now believed in the principles of a socialist society, must be wondering what the socialist society of the past half a century was all about. This is what lies behind the serious “confusion of values” and “loss of convictions” among the communist party members and is also seen as a indirect cause of the corruptions. See, for example, Isobe (2002)

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Appendix:

JOB CONSCIOUSNESS OF WORKERS AND MIDDLE MANAGERS IN INDIA

Name of Interviewer _____

Date & Time of Interviewing _____

This survey has only a purely academic purpose. It will never be used for other purposes. So, please feel free to answer the questions as you really think. If there are questions you don't want to answer, please say so.

Name of Interviewee _____

Sex: 1. Male 2. Female

I. Basic Information on the Interviewee

Before answering the questions, let me know some facts about yourself and your family.

- A. How many years have you worked at this factory?
1. _____ Years (or from when did you start to work?
- i. From _____)
- B. Before entering this company, did you work for other companies?
1. No 2. Yes (Which company? i. _____
- How long? ii. _____)

- C. What sort of job do you do at this factory?
1. Dept. _____ 2. Sect. _____ 3. Status _____
- D. Where are you living?
Address 1. _____
Type of the dwelling 2. (i. Own house ii. Company house iii. Rental room iv. Dormitory)
- E. Where were you born? (Or where did you grow up?)
Name of District 1. _____
(i. Rural ii. Urban)
Father's occupation 2. _____
- F. How old are you now?
1. _____ Years old (when were you born i. _____)
- G. What is your religion?
1. Hinduism 2. Muslim 3. Buddhism 4. Christianity 5. Others
- H. What was your highest level of schooling?
1. Primary school 2. Middle school 3. High school
4. Higher Secondary 5. Graduate 6. Post Graduate 7. Technical (or vocational) school
8. None (i. Passed ii. Incomplete, dropout)
- I. What is your employment status?
1. Permanent employee 2. Casual employee (i. _____ Months per year)
3. Part-timer (i. _____ hrs. per week)
- J. How much are your monthly earnings (including all allowance)?
1. _____ Rs. per month
- K. Are you married?
1. Unmarried 2. Married 3. Divorced 4. Widowed (Separated)
- L. How many children do you have?
1. None 2. One 3. Two 4. Three 5. Four
6. More than Four (Their ages i. _____ yrs. old,
ii. _____ yrs, iii. _____ yrs., iv. _____ yrs.)
- M. How many persons do you have in your family (those who live together)?
1. _____ Persons

- N. Among them how many persons are working?
1. _____ Persons (who and who? i. _____ , ii. _____)
- O. Who is the breadwinner (main income earner) in your family?
1. Myself 2. My spouse (husband or wife) 3. Father
4. Brother 5. Others
- P. How much is your family's total monthly income (earnings)?
1. _____ Rs. per month.

I will now begin to slowly read aloud questions, once, and answers twice. Please choose only one answer which you think is closest to your view or judgement.

II. Job satisfaction and views on competition, fairness

- A. Are you satisfied with your present job?
1. Completely satisfied
2. Well (almost) satisfied
3. Neither satisfied nor dissatisfied
4. A little dissatisfied
5. Very dissatisfied
- B. Do you plan to work at this factory until you reach retirement age?
1. Yes, till retirement
2. Will work for quite some time
3. Not decided yet
4. Will take up a better employment, if available
- C. What do you think about the system, which guarantees your son or other family members getting a job in your company after your retirement?
1. Good 2. Bad 3. It can't be helped in the present Indian situation
- D. If your son or daughter were offered a job identical to yours, what advice would you give him (her)?
1. Strongly recommend him (her) to take the job
2. Urge him (her) to decide for him (her)self
3. Urge him (her) to search for a better job than mine
- E. If you have occupational pride, is it the pride in the organization (company) or the work?
1. In our organization 2. In my work 3. Don't have the pride

- F. Suppose that you are offered either promotion (with no wage increase) or wage increase (without promotion). Which do you prefer?
1. Promotion
 2. Wage increase
 3. Hard to say
- G. What does the “good job” suggest you most in the following reasons?
1. High wage
 2. To be a rewarding (worthy) job
 3. Good relations with workmates
 4. Can work for many years
 5. Easy work
- H. How do you feel about your wage (salary)?
1. Should be a little higher
 2. Reasonable
 3. Very satisfied
- I. What do you think about the present condition of paid holidays and working hours?
1. Satisfied
 2. Not satisfied
 3. Neither satisfied nor dissatisfied
- J. What do you think about the amenities and welfare facilities of this factory?
1. Very good
 2. Satisfied
 3. Poor (what kinds of facilities should be improved?)
 - i. Toilets
 - ii. Drinking fountains
 - iii. A mess room
 - iv. A recreation room
 - v. A commuter bus
 - vi. A canteen
 - vii. A medical room
 - viii. Others)
- K. Do you think that your company should give priority to provide welfare facilities even if they reduced profits?
1. The company should give priority to providing welfare facility because it is important for employees
 2. The company should give profits the first priority
- L. What do you think about your bonus and dearness allowance?
1. Sufficient
 2. Neither sufficient nor insufficient
 3. Insufficient
- M. Are you satisfied with the human relations in your work shop?
1. Satisfied
 2. Not satisfied
 3. Neither satisfied nor dissatisfied
- N. To whom do you feel stronger affinity: your colleagues at your factory or your friends outside the factory?
1. My colleagues at the factory
 2. My friends outside the factory

- O. Which, do you think, is the most important?
1. Family life
 2. Working life/human relations at working place
 3. Social life other than a) and b)
- P. Does your job require skill and experience?
1. Requires a lot
 2. Requires a little
 3. Almost no skill and experience
- Q. Which do you prefer, time-rate wage or piece-rate wage?
1. Time-rate wage, which is not affected by the speed of work
 2. Piece-rate wage, which guarantees more wage for harder work
- R. If some company offers you the same job with higher salary, would you accept it?
1. Yes
 2. No
 3. Hard to say
- (Why so? i. _____)
- S. If you are offered an opportunity for the job-change, what kind of a job will you choose?
1. A job with higher wage
 2. A job requiring higher skill
 3. An easier job
 4. A more challenging and interesting job

III. The Meaning of Work and Work Disciplines

- A. How did you find your present job?
1. By the referral (introduction) of my friend
 2. By the referral of my parents, brothers or relatives
 3. Through the recruitment of company
- B. Which do you prefer, earning extra income by working overtime or regular return home with regular payment?
1. Prefer overtime
 2. Hard to say which
 3. Prefer regular return even without extra income
- C. Do you like the job rotation within your factory (or company)?
1. No, I would prefer to stay in the same job
 2. Yes, I want to have various job experiences
- D. If somebody is absent from his/her job, then, do you think, some other person should cover his/her job?

1. No, the same person should do it later
 2. Yes, some other person in the same work shop should cover it
 3. Substitute personnel (for the absentees) should be arranged
- E. In your factory or surrounding society, do you think, male and female employees are treated equally, if their abilities are the same?
1. Yes, by and large they are treated as equal
 2. No, not equally treated
 3. Male employees should be the first priority, and females may not be necessarily treated as equals
- F. What do you think about managers and workers taking meals at the same canteen?
1. Disagree: they need not take meals at the same canteen
 2. Agree: by taking the same meals in the same canteen, some sort of common feeling between them may be created
 3. Disagree personally: the separate canteen is better because I feel at ease
- G. Do you think that wearing a uniform in factory has any meaning?
1. No, dress should be entirely personal choice
 2. Yes, wearing a uniform is useful because it creates the common feeling and a sense of unity
 3. Yes, the uniforms are useful for practical reasons (safety, hygiene etc.)
- H. Do you think that the morning meetings (for the section or factory as a whole) are necessary?
1. Not necessary
 2. Necessary for creating a sense of unity and discipline among employees
 3. Necessary only if some ongoing project or works require it (as an effective communication channel)
- I. What do you think about the factory-wide recreation activities (social gatherings such as athletic events, party)?
1. It is not the activity which the factory (or company) should conduct
 2. Factory (or company) should do it for the sake of creating a sense of unity among employees
- J. What is the main purpose of your company?
1. Profit-making for shareholders (capitalists) and managing directors
 2. Development of company itself (as a corporate body)
 3. Promotion of employees welfare and job security

- K. Suppose you acquired information on business information or technology by participating in business seminars or outside training programmes, do you think it should be shared with your colleagues?
1. Yes, of course, because it is a part of my job
 2. No, because it is my personal asset (possession)
- L. For evaluating the personnel in your company, by which standards, do you think, is the most important?
1. Philosophy and ideology
 2. Job performance
 3. Personality

IV. Views on Skill, Technology, and Quality Consciousness

- A. What kind of quality do you think is the most important for the managerial staff such as a foreman or supervisor?
1. Educational attainment
 2. Skill and experience
 3. Personal attractiveness
- B. Do you think, working at the same job (within the factory) for long periods of time is better for learning skills and/or technology?
1. Disagree: experiencing the various jobs is better for skill acquisition in real term
 2. Agree: it's better to stay longer at the same job
- C. When the new machinery is introduced, or new technical advancement takes place, then, what do you think most important assets to cope with it?
1. Experience
 2. Technical education
 3. OJT
- D. If advanced machinery or new technology is available, should it be introduced even if older machinery or equipment would have to be scrapped (replaced)?
1. Machinery with advanced technology should be introduced even if older machinery must be scrapped
 2. Should not be introduced if older machinery is still in operation
 3. Should be introduced only after the old machinery becomes totally obsolescent
- E. What would you prefer to do if new machinery or equipment were introduced somewhere in your factory? (Assuming no wage or salary increases)
1. Want to undergo formal training and operate the new machinery
 2. Don't want to change the present work, because I am satisfied with it
 3. Want to learn to operate the new machinery through informal training (for example, OJT)

- F. What do you think about the product or quality inspections of your factory?
1. I do not know much about it
 2. Satisfied with it
 3. It should be more strict
- G. Have QC circle been introduced in your factory?
1. Yes
 2. No
 3. Don't know
- H. Do you know the purpose of QC circle?
1. Yes, very well
 2. Yes, but don't know in details
 3. Don't know
- I. To improve your technical skill, which do you think is the most useful?
1. Technical guidance by your superior (boss)
 2. Technical education outside your factory
 3. Improving the environment of your work shop so that you feel motivated to work harder
- J. Do you think that introducing the imported machinery is effective for increasing productivity?
1. Yes, it's effective if it is better or more advanced machinery
 2. No, it's not effective because there will be problems if it is introduced
- K. What do you think the attitude of your labour unions toward improving productivity is?
1. The Labour union should more actively scrutinize efforts to improve productivity
 2. The union need not be concerned about productivity but only with protecting workers' rights
 3. The labour union's present policy is O.K.
- L. In order to increase earnings of your factory, which do you think is the more important, expanding volume of production or improving quality
1. Expanding volume of production
 2. Improving quality
 3. Some other issues need to be solved
- M. What do you think about the most effective way to improve (product) quality?
1. Introduce brand new machinery or equipment
 2. Change the attitude of workers with regard to quality
 3. Improve the ability of managers and engineers

- N. What is the main reason for you to continue in your present job?
1. Because of a high wage
 2. Because of a short journey to and from work
 3. Because the job is interesting
 4. Because of unavailability of other jobs
 5. Because my work is part-time job
- O. When you have difficulties in the workplace, whom do you consult?
1. My superior
 2. Trade union
 3. Workmate
 4. My family

V. Supplementary Questions

- A. Which occupation do you think is the socially most important among the followings? (Select two with the order of importance) and which do you think is the socially least important? (Select one with a tickle)
1. () Medical doctor
 2. () Engineer
 3. () University professor
 4. () Primary school teacher
 5. () Soldier
 6. () Company manager
 7. () Government official
 8. () Policeman
- B. Which factor do you think is the most important for promoting the work skill? (Select two with the order of importance)
1. () Experience
 2. () Educational basis
 3. () Supervisor's guidance
 4. () In good health
 5. () Aptitude of an individual
- C. How do you feel about the regulations in this factory?
1. Too strict
 2. Reasonable
 3. Should be more strict
 4. Strict, but not fully enforced
- D. Do you think competition among employees is necessary?
1. Yes, the competition is indispensable
 2. No, the cooperation among employees is more important than competition
 3. No, employing more people is more important than competition
- E. If competition become necessary at your work shop, then, what types of competition should be introduced?
1. Person-to-person competition
 2. Group-to-group competition

- F. What do you think about the seniority wage system based on your length of service?
1. Seniority wage is important
 2. Egalitarian wage is preferable rather than seniority wage
 3. I prefer piece-rate or efficiency wage based on the ability.
- G. What do you think about the lifetime employment (job security upto retirement)?
1. It tends to lower productivity
 2. It is desirable for employees because it assures the long-term stable employment
 3. The opportunity for changing job (company) at your will is more important than long-term stable employment
- H. Do you think that length of services should be the most important factor in deciding promotions?
1. Yes 2. No
- I. How do you think about the overall wage/salary system of your factory?
1. Not good, because it is too egalitarian
 2. Not good, because wage/salary discrepancy is too large and not fair
 3. Good, it's appropriate
- J. Do you feel that wages, status and promotions should, in principle, be based on the educational level (including technical education)?
1. Agree in principle
 2. Agree, but other factors besides education should also be considered
 3. Disagree: the educational background is not an appropriate criterion
- K. What qualities are most important for (factory) managers?
1. Ability to make big profits
 2. Ability to take good care of employees
 3. Personality, including philosophy and ideology
- L. Do you agree that managers should be promoted among employees of your factory?
1. Agree in principle
 2. Disagree, manager can be recruited from outside my factory (company), if he/she is well-qualified
- M. Who are the key persons (as a communication channel) to promote coordination between managers and workers?
1. Indian managers
 2. Japanese managers
 3. Supervisors
 4. Others (i. _____)

- N. Do you often receive the technical guidance or advice directly from your superiors (boss)?
1. Very often 2. Sometime 3. Rarely
- O. Do you have an opportunity to talk and/or have meals with your superiors?
1. Very often 2. Sometime 3. Rarely
- P. Do you think that top managers should lead the decision making process in the factory?
1. Agree
2. Agree, but opinions of employees should also be considered
3. Disagree, it should be decided on the basis of consensus among employees of factory as a whole
- Q. Do you think that the middle managers (general managers, managers) should voice the suggestions of work place?
1. Agree
2. Disagree, their role should be opposite conveying the top decision-making down to the work shop level
- R. In your factory, does management appreciate workers proposing suggestions and solutions regarding production based on “suggestion scheme”?
1. No, not in general
2. Yes, they do and they have, in long term, positive impact on promotions or wage/salary increases
3. Cannot tell, though it is better to make suggestion
- S. If you make suggestions for increasing productivity does management pay attention?
1. Yes 2. No