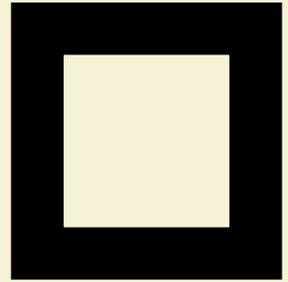


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REVIEW



WORKING CULTURE

JAPANESE CHOICES

Now is a time of profound choices for Japanese workers, and particularly its Gen Y generation, argues Lynda Gratton.

The traditional relationship between the corporation and a worker across the world has been ‘parent to child’. The corporate ‘parent’ provides for the worker ‘child’. They do this through the promise of a lifetime of employment, through clearly demarcated promotion based on seniority, and by well-defined hierarchies of decision making. In this ultra secure context, the role of the worker ‘child’ is to behave in a passive, disciplined manner, by working long hours, rarely questioning authority and by fitting into the hierarchy.

In much of the world this ‘parent to child’ relationship has been swept away by a combination of cost-cutting corporations and more feisty and outspoken employees. For a variety of reasons, in many Japanese corporations the ‘parent to child’ relationship has until recently remained intact. However, as Japanese corporations such as Sony and Panasonic battle it out relatively unsuccessfully with other corporations, this corporate culture of ‘parent to child’ is coming under increasing pressure and indeed being questioned by the young.

There is an alternative to the ‘parent to child’ relationship. This is the ‘adult to adult’ relationship. This removes the predictability and



GRATTON: “RESEARCH SHOWS THAT LARGE CORPORATIONS ARE RARELY THE PRIMARY CREATOR OF NEW JOBS.”

comfort of the ‘parent to child’, but in its place is the possibility of more freedom, creativity and choice. The challenge of this relationship is how to become more volitional, more able to understand the choices available, and more capable of grasping the consequences. The challenge becomes one of making a transition from being a ‘passive child’ to a ‘volitional adult’.

In Japan I have been asked many times about my opinion on how this transition can be achieved. Here are my top three tips for making the transition as a ‘passive child’ to a ‘volitional adult’.

First, widen your gaze. The world is joining up at an extraordinary pace — these emerging networks are creating fast-running streams of knowledge, ideas and projects. From Chile to Russia young people are connecting to each other with virtual sites like InnoCentive acting as platforms for creativity. Those outside of these global networks are in danger of becoming isolated from this enormous global creative pool of energy. Yet there is a real risk

of Japanese youngsters becoming isolated from these global streams of knowledge and ideas as Japan’s ultra-homogenous society provides few glimpses for them of other ways of living, and their inability to read English marginalises the possibilities for global connection. Being a ‘volitional adult’ is about knowing the extent of the choices available, and it is only through widening the gaze that these choices become clearer.

Next, speak out. A child may argue with a parent — but ultimately the nexus of power remains with the parent. A good ‘adult to adult’ relationship has a more balanced nexus of power. It is based on conversation, mutual understanding and joint action taking. The basis of this is being able to speak out and have your voice heard. If employees are to become more volitional they have to have the courage to speak out about what they believe to be right. One area of ‘speaking out’ that seems to me to be crucial at this stage in the development of corporate Japan is the role of women at work. Few senior





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figures in corporate Japan are women, and in the World Economic Forum 'Gender Gap' report the country ranked 101 out of 120 countries. If the 50 per cent of the potential Japanese workforce who are women are unable to have their voice heard in an 'adult to adult' way, then this severely reduces their capacity to be a 'volitional adult'.

Then take courageous action. Being a 'volitional adult' is about understanding the choices available (by widening your gaze), debating these choices and consequences (through being prepared to speak out) and then exercising choice (through taking courageous action). This stands in direct contrast to the 'passive child'.

What might these choices look like for young Japanese workers? There is a growing consensus that youth unemployment is becoming one of the scourges of modern society. Research shows clearly that large corporations are rarely the primary creator of new jobs. Instead new jobs are created in start-ups and medium size companies. It seems that there is a great opportunity for some of the youth in Japan to become entrepreneurs — yet to date few have taken this path. Faced with the comfort of the traditional 'parent to child' corporate relationship, the outside world of the 'adult to adult' can seem cold and uninviting.

Yet there are those who are taking the risk. At The Hub in Tokyo I met young entrepreneurs working together and connecting with others across the world. Over the coming decades, Japan Gen Ys will build deep competence in how to support an ageing population, how to live in a civilized way in a 're-balanced world', and how to balance industrialisation and the resource needs of the natural world. These are all skills and insights that its young entrepreneurs as well as its traditional corporations can take to the rest of the world.

Widening your gaze, being prepared to speak out and taking courageous action are ways of being that will be increasingly crucial in the joined up, global world that Japanese Gen Ys are entering. Now is the time for Japan's Gen Y generation to make the shift. ■

THE AUTHOR

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Gratton is Professor of Management Practice at London Business School. Her latest book is *The Shift: The Future of Work is Already Here* (Collins, 2011).

READING CHINA

Linda Yueh selects essential reading for all those who want to understand the Chinese economic miracle.

01 China's Unfinished Economic Revolution

Author: Nicholas Lardy

Publisher: Brookings Institution Press, 1998

Lardy is the Anthony M Solomon Senior Fellow at the Peterson Institute for International Economics. Previously, he was a senior fellow at the Brookings Institution and chaired the China Program at the University of Washington from 1984 to 1989. He is a prolific author on the Chinese economy.

China's Unfinished Economic Revolution evaluated the reform of China's banking system and measured the economic consequences of deferring reform in the state-owned sector. It sounded a powerful warning to China's policy makers and rulers of some of the dangers of headlong growth.

Most recently Lardy is the author of *Sustaining China's Economic Growth after the Global Financial Crisis* (2012), *The Future of China's Exchange Rate Policy* (2009) and *China's Rise: Challenges and Opportunities* (2008).

02 Demystifying the Chinese Economy

Author: Justin Yifu Lin

Publisher: Cambridge University Press, 2011

The stats are dramatic. Lin reports that since 1978 China has maintained rapid economic growth for 33 consecutive years with an average annual growth rate of 9.9 per cent and average annual growth of foreign trade of 16.3 per cent. China's success has, Lin argues, benefitted the world. Think of the huge Chinese investment in Africa for example.

Lin, Chief Economist and Senior Vice-President of the World Bank, provides a compelling historic perspective on the Chinese economic renaissance. *Demystifying the Chinese Economy* is a collection of his Peking University lectures. It offers a timely reminder that China has experienced economic power and success in previous centuries. Indeed, before the 18th century, it was a world power and then declined dramatically, left behind by the Industrial Revolution. What goes down can come up.

03 Wild Swans: Three Daughters of China

Author: Jung Chang

Publisher: Harper, 1991

One of the publishing sensations of the last two decades, *Wild Swans* has sold more than 10 million copies and is available in 30 languages. It tells the stories of the author, her mother and grandmother; the broad and personal sweep of history.

NEXT ISSUE }

David De Cremer,
Nigel Nicholson,
Nirmalya Kumar,
Gianfranco Zola
and much more



04 **Selling China: Foreign Direct Investment During the Reform Era**
Author: Yasheng Huang
Publisher: Cambridge Modern China Series, 2002

Huang founded and heads the China Lab and India Lab at Massachusetts Institute of Technology's Sloan School. Beijing-born, he has worked with the World Bank, at the University of Michigan and Harvard Business School. His books include *Capitalism with Chinese Characteristics*.

Selling China came out as China was joining the World Trade Organisation and in it Huang controversially claimed that the huge amount of foreign direct investment (FDI) flowing into China was a sign of weakness rather than strength in the Chinese economy. Chinese institutions and financial sectors were simply not up to the job of maximising the \$50 billion flowing into the country every year. This challenged prevailing wisdom.

Selling China also portrays the positive side of FDI and created a formidable reputation for Huang. "This volume surely makes Huang one of the world's most authoritative political economists currently writing on China," concluded *International Affairs*.

05 **The Political Economy of China**
Author: Carl Riskin
Publisher: Oxford University Press, 1987

An expert on Maoist and post-Maoist economic development policies, Riskin (Distinguished Professor of Economics at Queens College, CUNY) is widely known for his research documenting widespread poverty and the growing income gap between rural and urban China. In his early work he looked at four decades of China's economic development from the Revolution, through various phases of Maoist policy such as the "great leap forward," to the inception of market-oriented reforms in the 1980s.

China's Political Economy: The Quest for Development since 1949 is often regarded as the definitive study of the interrelations of politics, ideology, technology and incentives in that nation's recent economic history.

Much of Riskin's more recent work has been devoted to helping international agencies understand the challenges of the global economy.

06 **The Search for Modern China**
Author: Jonathan Spence
Publisher: WW Norton, 2001

British-born Spence was Sterling Professor of History at Yale University from 1993 to 2008. *The Search for Modern China* surveys the last several hundred years of Chinese history based on his course at Yale.

One of his themes is attempts by the West and others to change China. They fail. Instead, Spence portrays China as something of a recalcitrant but fascinating outsider. "I understand a 'modern' nation to be one that is both integrated and receptive, fairly sure of its own identity yet able to join others on equal terms in the quest for new markets, new technologies, new ideas," he writes. "I like to think that there were modern countries — in the above sense — in A.D. 1600 or earlier, as at any moment in the centuries thereafter. Yet at no time in that span, nor at the end of the 20th century, has China been convincingly one of them."

07 **Growing Out of the Plan: Chinese Economic Reform, 1978-1993**
Author: Barry Naughton
Publisher: Cambridge University Press, 1995

Barry Naughton is the So Kwanlok Chair of Chinese International Affairs at the Graduate School of International Relations and Pacific Studies at the University of California, San Diego. *Growing Out of the Plan* won the Masayoshi Ohira memorial prize. In it Naughton argues that China's economic revival was not driven by a brilliant masterplan but was political and opportunistic, an experimental embrace of laissez-faire as opposed to a dramatic conversion. As such, the Chinese story offers hope for any totalitarian regime dreaming of economic change.

