

## The Discrepancy of the Social Organization of Human Resources Factories

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### Abstract

If we compare the social organization of factories in Japan and in the United States, then there is a discrepancy which can immediately be noted and continues to dominate and represents a large part of all the differences between the two systems. At any level of Japanese factory organization, at the time of the company for the rest of his remaining career. The company will not dismiss him even if only temporarily, except in the usual broad circumstances. He will not leave the company to work in another industry. He is a member of the company in such a way as to resemble membership in a family; fraternal organizations and members of personal and intimate groups in the United States. This lifelong commitment is well-proven because there are rarely exceptions, and the permanent relationship between workers and companies that imposes duties and responsibilities on both workers and employers differs from the employment practices and employee-company relations that exist in the United States. The difference between the two systems is of course not absolute, only a matter of level. The reluctance of workers to leave the company on the one hand and the reluctance of the company to lay off workers on the other, are constant factors in American relations; Japanese companies will lay off workers, and workers sometimes also leave work. However, the differences are quite large, and the consequences and implications will appear repeatedly throughout the description of this great Japanese factory.

**Keywords:** worker, factory, human resource, permanent relationship, company

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## 1. Introduction

To illustrate the practice in Japan, we will look at the labor exit rates at two large companies. The first is an electronic equipment assembly company in the Osaka area. The company employs 4,350 people of which 5 or 6 people are laid off each year, or about 1 per 1,000 of these dismissals for reasons of extraordinary behavior, namely a person absent from work several weeks after a similar number of absences, or a person accused of have a habit of stealing and stealing company property-an act of violation which is considered very important so that there is no other alternative but to be fired.

Regarding workers who left not because of being fired, the average annual rate for the 5 year period between 1949-1953 was 83 out of 3,337 male workers and 109 out of 1,014 female workers, or the rate of leaving workers from the company was between 2 and 3% for male workers and 10% for female workers. For male workers, approximately 2/5 have reached retirement age; the rest left the company for health reasons; and more often , returning to the family field because of the death of the father or brother (Since 1953 these figures for male workers in this company have actually decreased and in 1956 were 1.7%). Among women workers, because very few continue to work for companies until they reach the retirement age of 50, marriage, not age, is the main reason for leaving the company. Although there are no real sanctions against married women who work in this company, as in all other companies, pressure from companies and community customs dictates that married women leave the job market.

It should be noted here that during this study, no temporary layoffs were found due to lack of work, either at this company or other companies [1]. The company is fully responsible for the continuation of the payment of wages to its workers during their employment, which is usually full during their tenure. It is therefore not surprising that workers are referred to as “permanent” or “perpetual” workers. The description of the employment relationship given here is intended to illustrate the general regulations in large Japanese companies. In several types of industry, especially in construction companies and shipbuilding, employee recruitment and in-house relations are slightly different from those described in this report. Also in small factories and certain factories in big cities (for example in a printing house), the movement of workers from one job to another is more common and acceptable. In the textile industry, where the proportion of female workers is high, data on the exit of female workers show that there is a clear exception to the above regulation. Because women are expected and encouraged to get married, even

assisted in marriage, after working five or seven years and having to leave the company at the time of marriage, the rate of leaving workers is high, but it does not change the nature of the commitment of workers and companies throughout the working period.

Regarding the rate of leaving workers from the company, this company is by no means an exception. The highest annual turnover rate of workers from the large firms in the study was in the textile factories in Shikoku, which employ about 3500 workers. In this company the annual exit rate for male workers over the 5 year period, 1951-1955, was 3.6%. This relatively high percentage is due to the location of the factories in the regions

## **2. Rate of Return on the Work of the Countryside**

Rate of return on the work of the countryside to be higher than usual. The discharge rate for women is approximately 14% per year, slightly higher than in urban factories. This percentage includes both management personnel and workers. If only one example is taken of personnel exit figures. Then the situation at one company in Tokyo can be used as an example. The main board of directors consists of 14 people, only 6 people who immediately work in the company upon completing their education. At first glance this picture appears to be a sharp departure from the general rule outlined above, but on closer inspection it turns out that this is not the exception. The company was a member of one of the main pre-war zaibatsu (or cartel groups). Of the 8 people whose careers were mostly developed outside of this company, 5 came from the Zaibatsu Bank and one was from a trading company. The two obvious exceptions are very interesting from the point of view of the relationship between business and politics in Japan. One of them did not leave the company until the age of 62; he was a judge on one of the most important controls in the Japanese legal system. Another, who started working for the company at age 61, was and was a member of the majority party (Diet) Parliament, he was the only non-university graduate among the main board of directors.

In short it can be said that both the main board and the job are in a lifelong relationship with the company. The exception does not negate the habit / rule at all.

If we look at the overall social organization of Japanese companies, it becomes clear that the ongoing commitment between workers and employers whereby the company will not fire or lay

off workers and workers will not leave the company, is the result of an interesting example of the main difference between employment styles.

### **3. Western and Japanese**

Western relations are closer to a "contractual" nature. The two parties to the contract record. With certain conditions which do not need to be connected with the discharge of workers are free to leave the company and the company is also free to ask the workers to leave the company. Maybe he was offered a higher position, a higher salary and relaxation, more opportunities for advancement, or a better location. Based on special provisions he may end the employment relationship and more importantly. If he does this, there will be no stain because he left the company. On the other hand, maybe he is seen as smarter, more ambitious, more capable because he got a better position. In the same way, although it is more limited in company policy, it is possible to terminate employment, usually for financial reasons.

Rather high rates of movement from one job to another and from company to company are characteristic of both the American worker and its executives. In general, high levels of mobility are ideal in American business. Terms such as "the free play of labor market" and "cross fertilization of management" give confidence that commitment to limited work and limited worker-company relationships is usually advantageous as long as the rate of movement does not interfere with the continuity of skilled personnel.

Although the employment-relationship system adopted in Japan can be supported by the argument that the relationship will ensure the continued use of trained company personnel, it turns out that the rationale presented by Japanese management usually emphasizes something else. Its policy of dismissals and dismissals is usually explained in terms of major national issues and problems. The justification most often used is that Japan is a poor and highly populated country, a country where jobs are scarce and employment opportunities are narrow. Workers who are laid off or fired will starve - that's the argument - because they won't get another job. Therefore, for the benefit of workers, the company must ensure a continuous salary at all times. This approach to employment opportunities is also justified from the standpoint of national welfare. Since jobs are sparse and population is large, it is the duty of the board of directors to maximize the number of positions in the factory and prevent a reduction in the workforce. In the

interest of the national economy, it is the duty of the directors to employ as many people as possible at all times.

The arguments used by the Japanese directors to justify its employment policy deserve serious attention. This shows that both the thinking of directors in Japan and the broader issues underlying the relationship between people in the factory, first of all, Japanese directors at all levels are more likely to think on a large national scale and are very aware of the interaction between business policy and national welfare. This concern for national welfare is undoubtedly a result of the historical closeness between the government and the business world in Japan and the high awareness of the impact of business policy on the national welfare of a nation that is so dependent on import-export exchanges in order to survive.

The argument that Japan is a poor country has become the national cliché. In effect this applies to all inconveniences and inconveniences in Japan and sometimes without a clear link between the problem and declared poverty. Regarding labor-relations practices, it may be argued that the national economy will be supported by an increase in the efficiency of factory output caused by increased labor mobility and the responsiveness of the labor force to the work of the supply-demand factor. The argument that justifies permanent employment relations for the sake of national welfare can be viewed with more rigor as a rationalization of a system than an explanation of the true causes of an employment system.

Apart from the argument about the welfare of the national economy, it should also be noted that another aspect of the explanation of the Japanese directors regarding the relationship between factories and workers. The Board of Directors is of the opinion that workers who are dismissed or fired will face a financial disaster and therefore the company should not lay off and will only fire workers in exceptional circumstances. It is true that a worker - no matter how skilled - will find it difficult to get a new job if it is known that he (and his age will show) has been fired or laid off from his job. However this will be a circular problem (a turn of the devil). Because with the current system dismissal means the most drastic kind of incapacity statement, therefore it does not suggest that dismissal or dismissal of a person's employment history automatically means that he or she is unsuitable for the job. Furthermore, thus this system is self-reinforcing (self-reinforcing). Again, the argument is more of a rationalization of the existing system and of a convincing analysis of sound considerations in the permanent worker-employer relationship.

Within the purely economic terms of the employment relationship - where corporate financial success is a side objective of the board of directors' policy - national welfare and welfare.

In this connection it is interesting to note the complaint of American business people in Japan that they cannot hire first-class Japanese academy graduates. The threat of limited tenure and subsequent difficulties in establishing themselves in the Japanese world caused Western companies to become the route of the Japanese business world causing Western companies to become the uncertain route of these easy people.

Workers' claims will be a secondary consideration in most policy formulations which underlie certain opinions to support Japanese policies, - despite the validity of this opinion - is the tacit admission by the directors that the relationship between the company and employees is not it is only an economical function that pleases both parties. The workers, whether workers or managers, should not be at will leave the company to look for another position, he bonded though a da-potential economic benefits to Keep working at the company. on the other hand, the company also should not fire workers to serve / Why serve 7 goals 7 should be the company company. Loyalty to the group and mutual responsibility - a responsibility - Replaces the economic basis of his employment of workers by the company. The areas which are joint responsibilities and collective obligations go far beyond the rules and customs regarding work relations and physical dismissal, but if we take this one factor alone, then it can be stated that there are various and serious consequences of this permanent employment relationship.

In Japanese factories today it is generally noted and recognized that there is almost always a surplus of labor to the quantity needed to maintain the level of production. According to American factory standards, then for the jobs created (make-work jobs) whose proliferation is astonishing, namely menial jobs - servants sweepers, doorman, and the like - which can easily be greatly reduced in number, as well as most of the inefficient use of time and energy in productive positions.

By using American standards, it is impossible to directly compare the productivity of Japanese and American factories for example, because it is usually assumed that the largest part of the unit cost (unit cost) in American production is the wages of labor, so it is imperative to maximize the use of machines in the production process. In Japan the situation is the opposite, where the wage of labor is such that the machine is a luxurious unit of production and the worker is the low cost unit of production. The fact is that the Japanese production system though, the plant typically has

a surplus of jobs aplenty (substantial), which is a direct result of the inability of directors to pay attention or to lay off workers.

The immunity of this workforce has further consequences that seriously affect the economic welfare of companies and nations. The consequences were felt in two particular economic aspects. The first is technological change. It is clear that if there is a surplus of labor, the impetus for the production of new methods or machines in the process of production will be greatly reduced. The result is to reinforce a conservative attitude toward change that is already strong in the minds of company directors. However, the Board of Directors may not be totally against technological changes. Several factors have led to an inexorable shift towards more labor saving and machine-intensive modes of production and exacerbated the labor surplus problem. One of these is the output (output) of a new product, a product obtained by granting foreign patents, or less often, through the development of the area where this new product is accepted together with a production system that uses more machines planned at the time of that product -Say it-developed in Germany or the United States. Consequently, the yield of this product which is comparable to something it replaces usually requires less labor.

Other actors and the most important changes in technology- which cause problems increasingly weight- labor is the pressure felt by Japanese directors to use new ways and new machines. Japanese directors now look to - as was the case in the early days of the Japanese industrial development - foreign and especially American sources for ideas and techniques. These range from specific technical methods to general management. However, as far as the introduction of new technology is concerned, it almost always has an adverse effect on the problem of surplus labor already in the factory. It should be noted that this problem is different from the problem generated by the automation of American change for example in America, this problem may be a social or national problem concerning the total labor surplus: in Japan a labor surplus would pose a serious problem for the directors of a particular company which has introduced a change.

The second difficulty caused by labor-company employment relations in Japan is the implication of sudden economic changes in factories. An example can be drawn from recent history. In the early days of the postwar American occupation of Japan, there was intense economic inflation. On the recommendation of a financial advisory committee, the American government of Japan in 1949 carried out quite a number of sudden policy changes. One result of this has been a decline

in economic activity, known to Japanese business circles as the "Dodge Depression." To commemorate the chief advisory group the point of effect on many companies was almost catastrophic. Apart from such companies, such as textiles for example - which production was very little needed during the war - as a result of expansion during the war most large companies employed a very large workforce. They had assisted these workers in the first years after the war but the situation in 1949 was such that they could no longer do this.

In some companies this depression has led to a kind of drastic surgery unprecedented in company history, a distinction known as "rationalization". This step requires heroic actions, and its large size indicates the usual difficulty of directors of having to adapt to the sudden shifting shifts that occur in the economic letter pairs.

In a company, the workforce - both management and workers - after being reduced from 3,926 to 3,206 people within 8 months a point of approximately 600 workers and 125 tabs had "voluntarily resigned" although in the Japanese context this term sounds ironic, apparently. indeed it is a voluntary resignation (retirement). The workers were given full severance pay plus a special allowance, most of this severance amounted to Rp. 500,000 Ms. Yen. If you remember that the monthly salary at this company in 1949 averaged 10,000 Yen, it seems that the incentive to resign was enormous; and is an enormous burden (expense) for the board of directors. those who withdrew were mostly elderly people who were nearing normal retirement , who seized the opportunity to obtain special severance pay, and female occupations who used it as a big addition to their dowry. in all, 15% of the company's workers left, 9% male and 32% female; and 9% retired, 5% men and 21% women. all of this resigned voluntarily, and the special high price to be paid was an extremely difficult measure to match the size of the workforce in a single Japanese factory.

It should be noted that this drastic action has brought with it two problems later that are now troubling the board of directors. by lowering / reducing the average age of the workforce, those who retired recently were few in number and soon will become large in the not too distant future because it is difficult to stimulate staff personnel to resign, and now many companies have a surplus large permanent personnel and directors, resulting in an effect that emphasizes the level of moral promotion and work efficiency.

The "Dodge Depression" And the effect on this one factory may serve something that is considered important namely, that whatever the advantage of a continuing responsibility on the



part of workers and on the part of the company to maintain relations, it is very difficult to obtain a measure of labor force flexibility. In the Japanese system the economic crisis point in 1949 did not affect all factories and enterprises to the same extent; "rationalization" is absolutely not Universal. However, all of Japan's changes have had the same set of problems arising from the same causes, even companies that have shown an increase in the number of factories or the number of businesses in them.

A small example of the difficulties that arise because of the workforce in an expanding firm can be drawn from the experience of one large foundry company. The company has factories in various parts of Japan, and its newer installations are located in the south-central part of Honshu. In an effort to reduce the excess work in other factories, then to fill the workforce in new factories, - due to increased production - jobs were taken from other factories. This displacement came from one of the least researched factories that point out of the 40 male workers who were transferred and hired to the new location 2 people had committed suicide within 2 weeks. Although the company has not received sufficient information about the reasons the public opinion states that the suicide was the result of the inability of the two people to realize / accept the fact that they were transferred and to adjust to the new situation. Although this is an extraordinary thing, this example shows that Japanese workers are not solely an economic problem

In order to overcome the rigidity of the workforce, there are several alternatives that can be provided by two aspects of the Japanese factory organization today that can function as a buffer against the consequences of economic and technological change. The most direct that can be practiced is the use / use of "temporary" workers. The overall regulation discussed so far refers to workers categorized as "permanent" or "regular", including all personnel (staff) and most workers. However, most factories have a group of workers for whom the company has no degree of responsibility

The same, and who did not participate in the relationship described above. The number of workers differs according to the number of workers in the factory, the maximum number observed is about 10% of the total workforce. According to the regulations, these temporary workers can be terminated after 2 months of work, they are usually hired through the Employment Service and often show that they come from surplus agricultural labor-power (those

with agricultural backgrounds are usually the desired workers). Previous factory work experience or training was unnecessary and they did menial jobs, often at the lowest pay. It is clear that the recruitment of additional labor force cannot replace the primary system at any level, but rather constitutes adaptation measures and flexibility for the workforce. It can be added that usually workers do not change from temporary status to permanent employees at the same company.

Another aspect of the Japanese factory system that has played a role in the improvement of the effects of worker-company relations is the large number of companies affiliated with and under one large company. There are frequent subcontracts, sometimes within the parent company plant. To some extent an increase in yield can be achieved by subcontracting rather than by increasing the productivity of the parent company, and the problem of increasing labor force to meet the increase in business will be diverted to enterprises is the existence of a large number of companies affiliated with and under one large company. There are frequent subcontracts, sometimes within the parent company plant. To a certain extent the increase in yield can be achieved by subcontracting rather than by increasing the productivity of the parent company, and the problem of adding labor to meet the increase in business will be sidetracked to smaller firms. However, in general subcontract limited to the process that is not the principal and about certain things. Furthermore, it is no less difficult for small firms to lay off or fire workers than for large firms; indeed in many ways more difficult. Trade unions may also have a role to play in maintaining regulations prohibiting layoffs of workers and ensuring strong attachment to large enterprises, whereas in small factories there may not be unions. However, the personal relationship between the employer and the workers in the small factory was strong, and the customs around it or in the village where the factory was located was so effective that it would not be possible for most small factory owners to reduce their workforce, unless they really went bankrupt.

There is a further alternative that allows some flexibility in the workforce even though it has not been implemented in any of the firms observed for years. In the case of job shortages that were so deterrent to efforts to sustain the workforce, in the past, directors have succeeded in "laying off" workers for a time. During this period of unemployment, the "layoffs" remain company workers and are paid as much as 60% of the income they can receive. These payments - although not performing the work - continue until workers are withdrawn or the company dissolves as an

organization. This method was especially implemented during the depression of the 30s and was not a factor in the operation of a factory except in the emergency period.

There are consequences that may arise in the future from this system of permanent employment. Japan makes a living on exports, and its exports in part compete with highly technologically advanced countries such as Germany, Britain and the United States. Even in a nation where wages for labor are low relative to the cost of capital and equipment, to some extent there are limits at which low wages of labor can be exercised to compensate for less advanced levels of technological development. Furthermore, the work effort per unit of production in Japan is increasing and is likely to continue to increase. At this point of future unfavorable competition will be felt as the full consequence of the rigidity of working relations in the factory. Once, I due to the Japanese departure there is a certain sensitivity to the changing circumstances of their world in another. it is also given a stimulus to the ability to adjust quickly in order to maintain a high degree of flexibility to meet changing market conditions. In this connection, whatever the non-economic benefits and non-economic losses for individuals due to the very different principles of employment relations in Japan and in the West, from the point of view of economic results it seems very potential to arise in the future difficulties - serious difficulties inside the Japanese factory.

#### **4. Conclusion**

Japanese workers both within and between the factories have a very large effect on the functioning of the current and future prospects of Japanese industry, and therefore draws a clear distinction with the custom in America, then the problem has been studied first and in detail but the full meaning of this kind of worker-Company relationship can only be demonstrated in the broader context of Japanese factory social organization. This kind of bondage between employer and worker is closely linked to recruitment, motivation and effort systems, and is actually a basic part of the entire Japanese factory organization. Although it is possible to discuss a single aspect of Japanese workers' apart from the entire structure of the employment-company relationship, it would not take place in such isolation, and to change this one element would deeply affect the whole system. Concluding that this is an unfavorable system of employment, the organ elements measure the effect of the Change that may occur in this one factor.

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