BOOK REVIEWS


In this book, Yasutaka Sai draws on his years of experience as Director of International Operations at the Japan Management Association to clearly and concisely explain eight key values that pervade the operating philosophy of Japanese companies. These are: group orientation, diligence in pursuing knowledge and group success, a sense of aesthetics and perfectionism, intense curiosity about new products and technology, respect for form and appearances, excessive competition for market share, silence and contemplation, and a long term perspective. Since these values are well-known to Japanese businessmen, the book's purpose is to enlighten and assist foreign businessmen who must compete or work with Japanese firms. This it does well by stating and then illustrating each value with concrete examples that show how each value affects the way Japanese managers run their companies, produce products and compete for business.

For example, their sense of aesthetics and perfectionism combined with their curiosity and interest in new products leads to an emphasis on the constant redesign and improvement of products that they then work diligently to produce and market. It also promotes aggressive copying and emulation of innovations. The objective is to improve a firm's competitive position, increase its market share and secure the group's long term future. The recent proliferation of new car models by Toyota and Honda despite a weak Japanese car market is typical of this philosophy at work, though it runs counter to American experience. Yet, the logic works in that new fresh models encourage consumers to buy while putting competitors at a disadvantage in the pursuit of market share. At the same time, companies do not announce their plans in advance but try to surprise their competitors giving them less time to respond.

Still despite the pervasiveness and importance of these core values, Yasutaka Sai appropriately notes they are not the Japanese businessmen's only key values but rather are important ones found in many firms. They thus represent good starting places to better understand Japanese decision making and competition. Yet, it would have been helpful if he had more forcefully noted some major exceptions and potential pitfalls to blindly applying these core values to every situation. For instance, almost a quarter of the book is used to emphasize the group orientation of Japanese management and bottom up consensus decision-making as the norm, and it is true this process applies in most large organizations. But just as there are "one-man" businesses, there are large "one-man" companies such as Suntory, Kao, Kyocera, Dai Nippon Ink, and Yamauchi Pharmaceutical where decisions are made from the top down and where strategy and its forceful implementation represent the vision of its driver. Such
companies can often move more quickly because the decision process is shortened or can be aggressive in acquiring other companies despite the group's usual aversion to mixing cultures. Yet, in dealing with such a company, beginning with middle management and building a consensus can waste time and result in surprises if the corporate driver wants to go in a different direction. In sum, before reaching any conclusions about the values on which a particular company operates, it is useful in analyzing and then working with a company to first see to what degree it actually reflects the core values clearly stated in this excellent primer, and to then proceed to apply the lessons it draws.

Nevertheless, at a time when Japan appears to be undergoing great economic, political and social change, I recommend this volume as a very good introduction or review of the influence of these eight values on the way Japanese business is run and will continue to be run. It demonstrates why these values are not likely to change and why Japanese firms will continue to compete in certain ways both in and outside Japan. In particular, it is optimistic that the new generation of younger, more independently minded managers will still retain these basic values that are important to the success of the firms for whom they are working. As the book itself summarizes, "Pressure for social change, both from within and from without, will no doubt influence Japanese social life and values in the long run. Yet cultural values and beliefs at the heart of Japanese business practice discussed here have a long history and are deeply ingrained. As an old Japanese proverb states, a deep river runs slowly."

William Rapp
Yale University


Use of military terminology in business practice is commonplace. "Boardroom battle," "U.S.-Japan trade war," "strategic planning," "captain of industry," etc. have become so common we do not even stop to think of their military origins. Is this use simply sporadic borrowing of terms? Or does it signify a more systematic relationship between warfare and business operations? Wee, Lee and Hidajat argue for the latter position in this book—a fascinating, detailed, point-by-point comparison between Sun Tzu's Art of War, a succinct "text" for military strategy written around 400 to 320 B.C. and modern capitalist business practice. Sun Tzu, at least the version they analyzed, has less than 1,100 Chinese characters.

In each of the first eight chapters (Ch.1 "Battlefields and boardrooms," Ch.2 "Situational appraisal," Ch.3 "Formulation of