

gA
374.013
8952

PN-AAS-887
151 40306

17

THE JAPAN PRODUCTIVITY PROGRAM

SEISANSEI

An Evaluation of the Participant Training Program in Japan 1956-1962



~~A.I.D. HISTORICAL AND
TECHNICAL REFERENCE
ROOM 1656 NS~~

Department of State
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

004383
004705

PN-A75-887

IAN 40306

THE JAPAN PRODUCTIVITY PROGRAM

S E I S A N S E I

An Evaluation of the Participant
Training Program in Japan

1956-1962

by

Dalton Potter

Bureau of Social Science Research, Inc.
Washington, D. C.

004163

January 1966

Department of State
Agency for International Development
Washington, D. C.

TABLE OF CONTENTS

	Page
LIST OF TABLES AND FIGURES	iv
ACKNOWLEDGEMENTS	vi
CONCLUSIONS	1
INTRODUCTION	3
Background and Beginning	4
Recapitulation	14
Chapter I -- THE SURVEY	18
Chapter II -- THE PARTICIPANTS	21
Chapter III -- PREPARATION FOR DEPARTURE	31
Chapter IV -- THE TRAINING PERIOD	39
Chapter V -- IMPACT OF TRAINING	45
APPENDICES	
Appendix A -- I - HISTORICAL BACKGROUND OF THE PRODUCTIVITY PROGRAM	61
II - DESCRIPTION OF TECHNICAL COOPERATION IN JAPAN	68
Appendix B -- THE ELITE OF JAPAN	95
Appendix C -- THE JAPANESE LABOR SYSTEM	98
Appendix D -- TABLES ON UTILIZATION	100
Appendix E -- THE FOLLOW-UP PROGRAM IN JAPAN	104

LIST OF TABLES AND FIGURES

	Page
Table 1 - Ministries and Agencies Cooperating in the Training Program with the Japan Productivity Center.	22
Table 2 - Year of Departure of All Participants	26
Table 3 - The Occupational Level of Participants in Different Fields of Economic Activity	28
Table 4 - Area of Residence of the Participants	29
Table 5 - Participants' Role in Planning Their Programs	31
Table 6 - Participants' Opinions of the Value of an Increase in the Part They Played in Planning Their Programs.	32
Table 7 - The Extent of Participants' Role in Planning Their Programs by Field of Economic Activity at the Time of the Interview	33
Table 8 - Satisfaction of Participants with the Extent of Their Part in Planning Their Programs, by Field of Economic Activity at the Time of the Interview	34
Table 9 - Requirements of Knowledge of English by Participants with Different Length Programs	35
Table 10 - Types of Program of the Participants and Time Spent	39
Table 11 - Types of Programs of Participants in Industry	40
Table 12 - Satisfaction with the Program and the Opinion of Participants about the Number of Things to Do and See	42
Table 13 - Satisfaction with the Program and the Opinion of Participants about the Level of the Programs	43
Table 14 - Utilization Scores of Participants in Different Fields of Economic Activity at the Time of the Interview	47
Table 15 - Utilization Scores of Participants by the Time that Has Elapsed since Their Return from Training.	50
Table 16 - Utilization Scores of Participants by Satisfaction with Their Briefing Prior to Departure	51
Table 17 - Participants' Satisfaction with Their Programs by Field of Economic Activity	52
Table 18 - The Effect of Supervisor Helpfulness on Utilization of Participants	55
Table 19 - The Fields of Economic Activity of Participants Who Had No Supervisor	56

	Page
Table 20 - The Helpfulness of Supervisors to Participants in Different Fields of Economic Activity.	57
Table 21 - The Age of Participants by the Helpfulness of Supervisors in the Utilization of Training	58
Table 22 - Comparison of Participants with Supervisors Who Were "Very Helpful" with Participants Who Had No Supervisors, by Occupational Level at Departure	59
Table 23 - The Importance of the Training Experience to Participants in Different Fields of Economic Activity.	60
Table 24 - Fields of Economic Activity of the Top Policy Makers, Executives and Administrators at the National Level or National Impact	96
Table 25 - Consolidated Data on Policy Makers, National Level and Non National Level, Executives and Administrators	97
Table 26 - Utilization Scores of Participants of Different Occupational Levels at the Time of Interview	100
Table 27 - Utilization Scores of Participants by Age at the Time of Departure	101
Table 28 - Utilization Scores of the Participants by Educational Level	101
Table 29 - Utilization Scores of Participants by the Length of Their Program	102
Table 30 - Utilization Scores of Participants Who Worked with Others Trained Abroad.	102
Table 31 - Utilization Scores of Participants Who Had Contact with American Technicians	103
Figure 1 - Characteristics of Participants	24
Figure 2 - Attended Orientation Sessions and Opinion of Usefulness	38
Figure 3 - Index of Utilization of Training	45

ACKNOWLEDGMENT

Contributions to the several phases of the Evaluation Survey of the Participant Training Program in Japan were made by a great many people. Overall administrative responsibility for the study was shared by the staff of the United States Operations Mission to Japan and the staff of the Japan Productivity Council in Tokyo. Technical backstopping guidance was provided by Dr. Forrest E. Clements, Chief, Evaluation Staff of the Office of International Training in the Agency for International Development in Washington. Thanks are due to all those who took part in the survey, but special acknowledgment is given to the following persons:

Dr. Keizo Yoneyama
Head, Department of Sociology
Keio University

Dr. Toshichika Totoki
Professor of Sociology
Department of Sociology
Keio University

Mrs. Emiko Ohga, USOM/Tokyo

Mrs. Sumiko Sayegusa, USOM/Tokyo

CONCLUSIONS

The program of technical assistance undertaken by the United States to help the Japanese government strengthen their national economy provided training for industrial and business management as its principle emphasis. The objective was to raise the level of Japanese industrial productivity to assure a firm base for further growth. At the time of its inception Japan was faced with a serious foreign trade imbalance and a productive capacity which had only recently surpassed prewar volume of output.

With the reservation that this evaluation of the training program cannot alone be made without reference to the development of the Japanese national economy, the result was an overwhelming success.

The participants in the training program said:

"They were carefully chosen." (89%)

"They were well prepared prior to training." (85%)

"They were satisfied with their training." (96%)

"They were able to use and transmit to others
much of what they learned." (98%)

Behind these statements by the participants and the percentages indicating how many echoed the statements, lie two enormously important facts:

1. The implementation of the program by the Japanese government and industry was thorough and energetic, creating a viable institution that continued the program at increasing levels of activity after the cessation of United States technical and financial assistance.

2. Between 1958 and 1963 the index of Japanese industrial production and the gross national product doubled.

It is beyond the scope of this evaluation of the participant training program to document the relation between the two facts given above, but the large number and the high occupational level of the Japanese who took part in the program lend weight to the suggestion that it materially contributed to the radical renovation of the Japanese economy in the late 1950s.

Japanese enterprise, by its own initiative, adopted the idea of productivity and turned it into a national enthusiasm, applying to its implementation Japanese modes of patient thoroughness and a sense of appropriateness to Japanese problems.

INTRODUCTION

This analysis is based on the complete tabulation of the answers given by the participants to the Participant Training Evaluation Survey questionnaire and a series of cross tabulations prepared independently in Tokyo. The relative homogeneity of the participants and the high uniformity of their responses make this evaluation more an account of the conduct and impact of the program than a dissection of the various factors contributing to its success or failure, although many of these will be examined.

The program of United States technical assistance to Japan in the years 1955 through 1962 was unlike the U. S. aid programs anywhere else before or since. It concentrated primarily on industrial productivity and focused its efforts on management practices and philosophy. The assistance of leading American businessmen, industrialists and bankers in expounding the principles of the managerial revolution in the United States to their previous enemies in war and potential competitors in peace, marks a high point of international generosity and of faith in the ultimate worth of the common enterprise.

On April 7, 1955, the governments of Japan and the United States undertook a joint commitment for a program . . . "to assist in every way possible to increase productivity in Japan by improving technical efficiency of Japan's industry, agriculture and commerce. . . ."

The agreement provided that the productivity program would be implemented through a nongovernmental agency: The Japan Productivity

Center (JPC). The program would include the training of Japanese nationals, the sending of American technicians and specialists to Japan, and the furnishing of technical aids, literature, and training equipment. The JPC was to be supported by the government of Japan and contributions from Japanese industry. The dollar costs of the training, the visiting experts, and the training devices were to be supported by the Government of the United States. (See Appendix A. II - Description of the Technical Cooperation Program in Japan)

The Background and Beginning

The idea was not new; productivity increase, SEISANSEI, was known to some of the middle management personnel who had been exposed to courses sponsored by General MacArthur's headquarters. The growth of what came to be known as the Productivity Movement, however, owed little to these antecedents. Characteristically, once convinced that the idea was useful and appropriate to their context, the Japanese took up productivity as a national enthusiasm. (See Appendix B., The Elite of Japan)

The principle task of the JPC was to furnish the substance of meaning for the idea of productivity in a cross-cultural context. The program was primarily concerned with sending Japanese business leaders as study teams overseas, but it ultimately included the complimentary features of a reference library and audiovisual center, visiting consultants, and eventually a computer center for the use of all Japanese businesses. The study teams were selected after consultation between the mission, the JPC, the Ministry of Commerce and Industry, and the

officials of various trade and industry associations. Two types of teams were distinguished: vertical teams representing various managerial functions within one industry, such as steel or electrical equipment, and horizontal teams each representing one of the various professional preoccupations such as personnel officers, production managers, comptrollers, etc. from several different industries.

In contrast to United States foreign aid training programs elsewhere which were planned as educational or apprenticeship programs, the program in Japan was conceived of as an attempt to introduce what has been called "the managerial revolution" to Japanese industrial leadership. The study teams were composed of 6 to 12 men who spent from 5 to 6 weeks in the United States and were the central element of the program. Eighty-three percent of the participants went as members of these groups. Each team concentrated on some particular problem area of their industry or job and together participated in a series of seminars and plant visits in Japan in preparation for their trip. Before leaving Japan they prepared analyses of the nature of the problems they faced and attempted to determine where improvements in productivity could be made.

It is important to recognize that the target group for the productivity program was the management personnel of Japan's largest and medium industries in an effort to provide them with a new philosophy of industrial management. Peter Drucker^{1/}, one of the technical

^{1/} Quoted from Peter Drucker The New Society: The Anatomy of Industrial Order

consultants who went to Japan several times and incidently became almost a hero to the productivity movement there, is quoted as saying, "The mass production principle is not a mechanical principle. If it were it could never have been applied beyond manufacturing and independently of assembly line, conveyor belt, and interchangeable parts. It is a social principle, a principle of human organization. What was new in Ford's plant was not the organization of mechanical forces, but the organization of human beings performing a common task."

The Japanese study teams were all aware of the high level of American productivity and most had heard explanations given for it. But few were able to grasp the significance of the explanations until they saw for themselves that American plants were not necessarily equipped with more modern or efficient machinery than in Japan, but that American management methods were the more effective. The experience of American technicians and consultants who had discussed these problems with Japanese study teams can be expressed in the words of A.J. Ronk, the project manager of the first and second Top Management Teams which came to the United States in October, 1955 and October, 1956.

"This team (referring to the second) as well as others from Japan have repeatedly and clearly indicated that they expect to find formulae which might be applied to Japanese economic and social problems. They express admiration for the German pedantic approach and express disappointment over failing to quite understand the reason for our amazing prosperity and general well being. While on every occasion, Project Managers introduce aspects of democracy, freedom of choice and action, opportunity for individual and religious freedom--all with inherent stimulation and challenge to creative and imaginative thinking and action--our Japanese friends still fail to comprehend or accept these factors as

really those that underlie our success In the final analysis it is attitude that counts, and it appears that much needs to be done to get our Japanese friends away from their preoccupation with formulae."

In the over-all analysis of the first Top Management Team's own self evaluation, Ronk reported the following and quoted parts of their report:

"The group as a whole declared that what Japanese Management must learn . . . is American management's 'absolute faith in competition' its 'sense of responsibility towards society, the community and the nation,' its 'democratic and human attitude toward employees' and the manner of 'exchanging information and cooperating even with competitors.' Organizationally they (the team members), believed Japanese corporations ought to copy: The American 'division of responsibilities so evident in all the executive and supervisory staffs of the companies visited'; the 'splendid line of communication between top executives and employees in the shops'; with the resulting 'opportunities for advancement within the organization.' The conclusion reached was that 'the American economy develops dynamically on the basis of both mass production supported by mass consumption which, in turn, is supported by high wages under the free enterprise system.' 'We felt keenly,' the team continued in its interim report, 'that this was the way that the economy should be in any country of high productivity. This is an important point for the future of Japan.'"

It cannot be emphasized too strongly here that the quotations given above were the considered conclusions made by Japanese study team members, men who were the leaders of Japanese finance and industry and as such molded not only national economic policy but broadly affected public opinion as well. Furthermore, the activities of the study teams did not end with their return to Japan. Entirely beyond the changes introduced into their own companies, the team members of the first Top Management Team saw their role in disseminating their conclusions:

"The coordinated findings of this top management team's visit to the United States and American institutions will be, as has been the case with all productivity study projects, reported and disseminated through speeches, newspapers, magazines and other avenues of communication throughout Japan to the various enterprises, associations, labor unions and businessmen in general, and also to the general public through radio and television and any other available media. Our final report will be compiled and published. We shall also make a study of the executive development programs observed in (America) and formulate a similar program adaptation."

This in fact did take place. As each team returned, they entered into a period of extensive activity reporting their reactions and the impressions of their trip. Fundamental, however, was the adaptation of specific techniques and methods of organization to the Japanese setting. By no means can it be said that Japanese businessmen adopted everything they saw that was new to them, but the overwhelming impact of the study teams' visits to the United States was to inject a new and stimulating attitude toward productive activity into the Japanese economy. The productivity movement was well launched by the enormous success of the first Steel Team in May, 1955 and the Top Management Team about two months later.

Doubts about the value of the observation tours and fears about their reception (as former enemies) were quickly dispelled by the friendliness of their acceptance and the intensity of the training sessions arranged for them. The first Steel Team was a specially picked group whose recommendations would carry weight with the top managerial levels of Japan. It was recognized by both the Americans of the Technical Cooperation Mission and the leaders of the Japan Productivity Council as a crucial test of the program.

This evaluation of the participant training program in Japan is undertaken with somewhat different criteria from those applied in countries where technical assistance programs are still under way. The withdrawal of United States support for the productivity program in Japan was not motivated by any other reason than the assurance that the Japanese were competent to carry on the program by themselves. This report should then be viewed as an examination from the data available, of the factors in the effectiveness of the program during the period of American participation. Those currently responsible in Japan may find some value in the review but more important, the participant training programs in other countries may benefit from the experience.

By all measures the technical assistance program in Japan was an unqualified success. The reasons for this result are clearly not uniquely inherent in the Japanese context. The dynamics of Japanese society directly contributed to maximizing the benefit obtained from the training program. That the combination of factors was fortuitous rather than deliberate does not gainsay either their effectiveness in the Japanese program or their applicability elsewhere.

The essentially American contributions, apart from underwriting the travel expenses and costs of expert advisors and the like, were the concept of a productivity-oriented philosophy of management and the technique of the participant training program. To the challenge of a desperate economic situation and a new idea the Japanese brought a capacity for a collective decision that was effectively implemented

through the discipline and pragmatic adaptability of their industrial and business management personnel.

The Japanese were convinced that their economy could not avoid disaster if steps were not taken to change their trade position. They saw in the possibility of emulating American productivity a solution to their problem. The ultimate working of the program can be attributed to the following basic principles:

1. Concentration on a single unifying idea.-- In this case the increase of Japanese productive output.
2. The intensive preparation of the participants prior to their departure.--The emphasis in this period was to stimulate the members of the study teams to think of their own problems and to initiate through collective exposure new ways of resolving them.
3. During the training period the objective was to expose the participants to a way of thinking rather than to teach them a technique.
4. The intensive recapitulation seminars provided a period for the participants to review and evaluate their experiences.--The preparation of a team report provided the vehicle for conveying the teams' conclusions and recommendations to others professionally concerned and, beyond reinforcing their training, served to disseminate the experiences of each team throughout the community.

While it cannot be claimed that the technical assistance program in Japan was the only catalyst in the rejuvenation of Japan's

economy from 1958 onwards, in view of the very widespread interest and support given the program by the highest levels of the Japanese government and industrial leadership, it is evident that the productivity program was implemented extensively and it is probable that without this program inflation, food shortages and severe social strife might have plagued Japan for a long period of time.

The consistent high utilization and satisfaction expressed by the Japanese in their answers to the questionnaire may appear to be exaggerated responses, given out of politeness, perhaps in conformity to a national cultural ideal. While this explanation may be plausible, material gathered from interviews with the former Industry Training Officer, the Director, and the Deputy Director of the Mission in Tokyo indicate that a continued high level of activism and enthusiasm characterized the returned study team members in their recapitulation seminars and their later efforts in propagating the concept of productivity.

The major difficulty of the productivity program in Japan lay in conveying the idea of productivity and the attitudes associated with the concept in the larger context of social adaptation. Without exploring in detail the anthropological problem of cultural diffusion or borrowing, it is evident that two processes handicapped the program in Japan. The most fundamental handicap lay in the assumption by both the Japanese and the American businessmen that American productivity could be explained as being solely related to the conduct of business. The preliminary conception held by the Japanese businessmen, who were conscious

of their isolation from developments outside of Japan for almost 20 years, was that American productivity was the result of a special technique. Attempting to explain productivity as an attitude in a larger context, American engineers and businessmen used the terms democracy, freedom of choice, competition, free enterprise, and other phrases which describe an idealized conception of how Americans believed their social system works and what Americans were like. The remarks of Mr. Ronk, quoted earlier, are a case in point. The Japanese naturally missed the connection between individual and religious freedom and productivity, since both ideas had no reference point in their experience and appeared irrelevant to industrial management.

The other handicap was the tendency of the Japanese to engage in highly selective borrowing of cultural elements and the retention of apparently irrelevant older Japanese patterns of behavior in conjunction with new techniques. Although from an American's point of view the Japanese may seem to be somewhat unreflective about their social attitudes and the norms of their society, they are probably more sensitive to what might be called cultural dissonance. For all their apparent pragmatism and thoroughness, the Japanese were not blind or mechanical imitators.

They adapted Chinese art and literary forms or German industrial practice so that the result was a consistently integrated Japanese pattern. But gaps in the adopted patterns occurred as a result of the selective process: those elements of the constitution (which was modeled on that of Bismark's for Germany) were put in practice only to

the extent that they were consonant with prevailing social and political realities of Japan, and whole arrays of what to Europeans were necessary complementary elements were left unimplemented.

As with other cases of cultural change, there is a high degree of compartmentalization in the Japanese scheme of living that permits ardent innovation in one sphere without affecting another, or an ascetic restraint and dignity in one context and a warm aesthetic sensitivity even abandon in another without any apparent sense of *lèse majesté*.

For instance, American advisors advocated the principle of promotion of workers on the basis of ability (i.e., productivity) and had recognized and accepted the consequences for the traditional Japanese wage-salary system, but they ignored the effect this would have on the key cultural pattern of family-continuity which underlies the seniority consciousness of Japan. This was a failure to appreciate the dependence of the permanent labor force pattern in Japanese industry on the family-oriented ideals of loyalty and fealty.

But similarly the Japanese had introduced the "rationalization" of industry based on German practice and assumed that the American concept of productivity was likewise achievable through a simple rational technique, which could be incorporated into the already complex Japanese patterns of office work, managerial organization, accounting practices, as well as the complex status system.

That productivity was not merely an industrial or commercial technique or formula but an entirely different system of attitudes is best illustrated by reference to the consequences for Japan not only of

the productivity program but of the development of a whole new pattern of living in the last 10 years. Increased material consumption, more leisure, mass media and mass entertainment, greater freedom for youth and for women, attitudes about interpersonal relations and about the individual in society, all have contributed to a confident new conception of what an ideal Japanese is like. These changes have affected the adaptability of Japanese enterprise to face the problems of her national economy.

The radical reduction in the rate of population growth and the disappearance of a seemingly inexhaustible labor surplus, have relieved Japanese society of an enormous non-productive burden and have freed Japanese creative energies for improvement in their standard of living. The changes have not been without their effect on the intellectual freedom and spiritual mobilization of large groups of Japanese to a new sense of participation in their future.

Recapitulation

The brevity of this report should be received as a tribute to the importance and success of the Japan Productivity Movement. Within the context of United States technical assistance programs, the program in Japan had more in common with the nonfinancial aspects of the Marshall Plan in Europe than current participant training in various economically underdeveloped countries. Its overwhelming and unique success can be attributed to a small number of factors which have crucial theoretical implications for technical assistance in countries not so advanced.

a. The complete commitment of the Japanese financial and business elite to the success of the program.

b. The day to day administration of the programs--the selection, predeparture preparation, public information services, post training recapitulation seminars, etc.--was handled through a Japanese semi-governmental entity: the Japan Productivity Center. There was a very small American staff who acted as advisors and maintained liaison with the offices in Washington where the training and travel arrangements were made. The Japanese looked upon the program as their own effort.

c. The selection of the study team members was conducted by the Japan Productivity Center with the advice of the American technicians and on the basis of recommendations of trade and professional associations in Japan. The team members were selected for their influence and importance so that the subsequent diffusion of their study team observations and conclusions would have widest maximum impact.

d. The Japanese productivity study team members were subjected to an intensive predeparture indoctrination. They studied their own industry problems and engaged in seminars with former participants. In most cases they also prepared a formal report on the current state of their occupational speciality and its problems. These seminars and reports occupied a six-week to two-month period preparatory to departure.

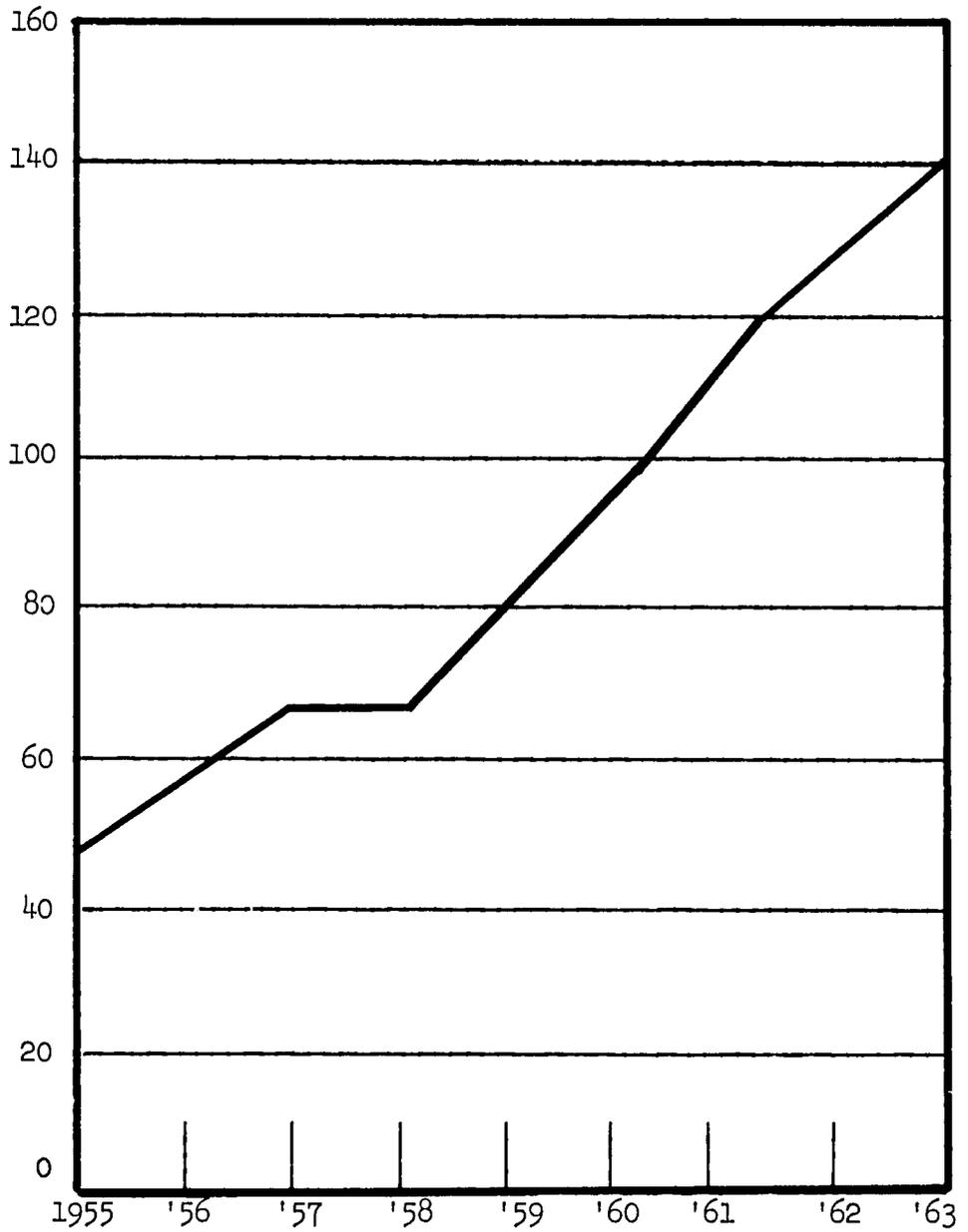
e. The officials of the JPC had also accepted as an integral part of the individual study team missions the participation in an

intensive series of seminars and the collective preparation of a report on their observation tour after their return. The participants in the Japanese productivity program devoted as much as four months of active application to absorbing an unfamiliar idea but one relevant to their economy. Beyond the period of intensive activity associated with their trip the team members carried on a missionary zeal of writing articles, giving lectures, etc., furthering the spread of the idea and practice of productivity.

By the end of 1957 one thousand team members had returned to Japan and if we multiply their contacts made through lectures, discussion groups, articles in newspapers and trade journals and seminars conducted by trade and professional associations, it is safe to assume they had passed on to many thousands of other Japanese the concept of productivity and methods for achieving it, which in turn required the adaptation of customary Japanese ways of handling production, records, materials, personnel, wage rates, etc. It was at this point that the curve of the Japanese index of industrial production began its spectacular climb.

INDEX OF JAPAN INDUSTRIAL PRODUCTION

1960=100 Index



Chapter I

THE SURVEY

This report is based on data collected in 1961 from 605 Japanese productivity study team members, who had returned from training prior to January 1, 1960. The questionnaire, administered in Japanese, was the basic instrument designed for the World Wide Participant Training Evaluation Survey.

The sample of participants to be interviewed was chosen on a random basis from a list of 2555 names. Of the original sample of 623 names drawn, 605 were ultimately interviewed. The basic personal data on all participants in the list of 2555 had been brought up to date and was tabulated. A comparison test of the validity of the sample showed no appreciable difference of the proportions in the sample and the universe of the following characteristics: (1) age, (2) sex, (3) residence, occupational level, (4) field of specialization, (5) type and length of training received. Indeed, the comparison was extended to the total 4715 participants who were sent for training during the whole period of United States' involvement in the program. The above mentioned characteristics of the 605 participants who were interviewed were found accurately to represent the proportions of the total. It is presumed that confidence can be placed in the responses of the sample as a true representation of the universe.

The field Study Director for the Survey was Dr. Ranald M. Wolfe, special research consultant to the United States Operations

Mission in Tokyo. The questionnaire, originally in English, was translated into Japanese and checked for accuracy by back-translation with only two minor errors subsequently discovered and corrected. The interviews were conducted by 20 Keio University staff members, assistant professors and lecturers in the social sciences under the direction of Dr. Wolfe.

The questionnaires were completed in Japanese, coded and translated by Japanese staff members of USOM and 9 students from Keio University. The data were card-punched and tabulated in Tokyo. The statistical data which consisted of the straight run machine tabulations (column tables from the questionnaires) and cross tabulations, respectively, were prepared in Tokyo.

This report was written in Washington, D. C. by Dalton Potter under an A.I.D. service contract with the Bureau of Social Science Research, Inc., Washington, D. C. The analysis of the survey is based on the tabulations prepared in Tokyo, plus an additional special series of cross-tabulations done at the Bureau of Social Science Research, Inc.

The Description of the Technical Cooperation in Japan (Appendix A - II) was written in Japan by Mrs. Emiko Ohga, program specialist, A.I.D. Regional Training Unit, American Embassy, Tokyo.

Background material on the productivity movement in Japan was developed in Washington on the basis of interviews with the following persons:

Dr. Gengo Suzuki
Executive Director, International Monetary Fund,
former member of Japanese Finance Delegation

Mr. Clarence Meyer

Director, USOM/Tokyo, 1955-59

Mr. Sylvester I. Olson

Deputy Director, USOM/Tokyo, 1956-60

Mr. Richard Goodrich

Industry Officer, USOM/Tokyo, 1955-59

Dr. Edward G. Posniak

Chief Economist, United States-Japan Trade Council

Mr. S. Osakatani

Manager, Washington Office of the Japan Productivity
Center

Dr. Larry Nadler

Training Officer, USOM/Tokyo, 1958-60

Chapter II

THE PARTICIPANTS

Mention has already been made of the objectives and methods of the productivity program and the general selection procedures by which participants were drawn into the study teams. It may be of value to examine in more detail the characteristics of the participants who were selected.

The administrative machinery that was set up for the selection of the participants was centralized in the JPC. The other organizations who participated are shown in Table 1.

Table 1

MINISTRIES AND AGENCIES COOPERATING IN THE
TRAINING PROGRAM WITH THE JAPAN PRODUCTIVITY CENTER

Agency	Participant	
	Number	Per cent
Industry, private and Government ^a	390	64
Agriculture Productivity Conference ^b	94	15
Civil Aviation Bureau	22	4
Ministry of Labor and Unions	70	12
Peaceful Uses of Atomic Energy ^c	12	2
Waseda, Keio, and Hokkaido Universities ^d	<u>17</u>	<u>3</u>
Totals	<u>605</u>	<u>100</u>

^aThe Ministry of Industry and Trade and the Ministry of Finance were the principal ministries which, together with leading trade and industrial associations, worked with JPC.

^bThe Ministry of Agriculture helped select participants in agriculture.

^cJapan Atomic Energy Research Institute and the Atomic Energy Bureau helped select participants.

^dThe Ministry of Education helped with the contract for training participants from Hokkaido University and the University of Massachusetts.

The data on the composition of the groups of participants can conveniently be summarized and the salient characteristics presented without the elaboration of all the tables or categories obtained from the interview material. For the interest of clarity it should be stated at this point that the tables presented in this report represent variables considered significant or important to the objectives of the program. (For instance: sex and marital status are ignored because 99 per cent were male and 97 per cent were married. Likewise, only 1 per cent had ever had any contact with the United States operations mission prior to their selection).

Figure 1 gives the background characteristics of the Japanese participants as a group. (See pages 24 and 25.)

Mention can be made of some other characteristics which may be of minor interest. The 183 (3.9%) participants trained in the peaceful uses of atomic energy were not part of the usual productivity study teams. Japanese atomic energy specialists were brought to the United States either for brief visits of less than a month or for periods of about a year of special advanced work at American atomic energy laboratories. The median year of birth was 1912. This is important because of the respect accorded to and authority of older persons in Japanese life. Over half the participants were men who reached the most productive period of their lives during the time that Japan was isolated from the outside world, by the war and the growing isolation in preparation for war.

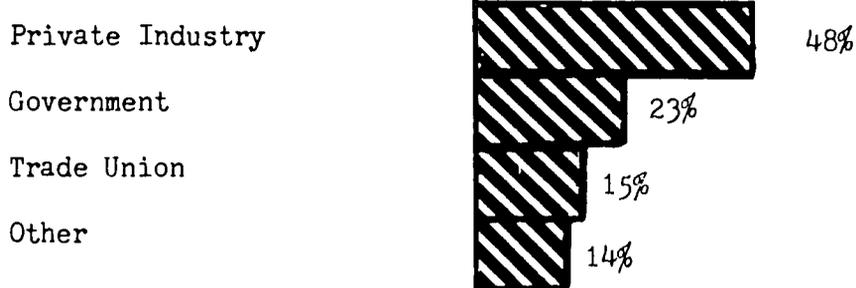
Figure 1

CHARACTERISTICS OF PARTICIPANTS
(In Percentages)

Residence



Employer



Experience



Age



Education



Figure 1 (Continued)

CHARACTERISTICS OF PARTICIPANTS
(In Percentages)

University Field

Commerce and Law

40%

Engineering

38%

Other

22%

Occupational Level

Policy Makers, National
and Second Level Execu-
tives and Administrators

41%

Subordinate Management
Productive and Adminis-
trative Officials, Line
or Staff

31%

Labor Leaders and
Organizers

16%

Other

12%

Field of Economic Activity
(At the Time of Interview)

Industry, Commerce

60%

Agriculture

19%

Education

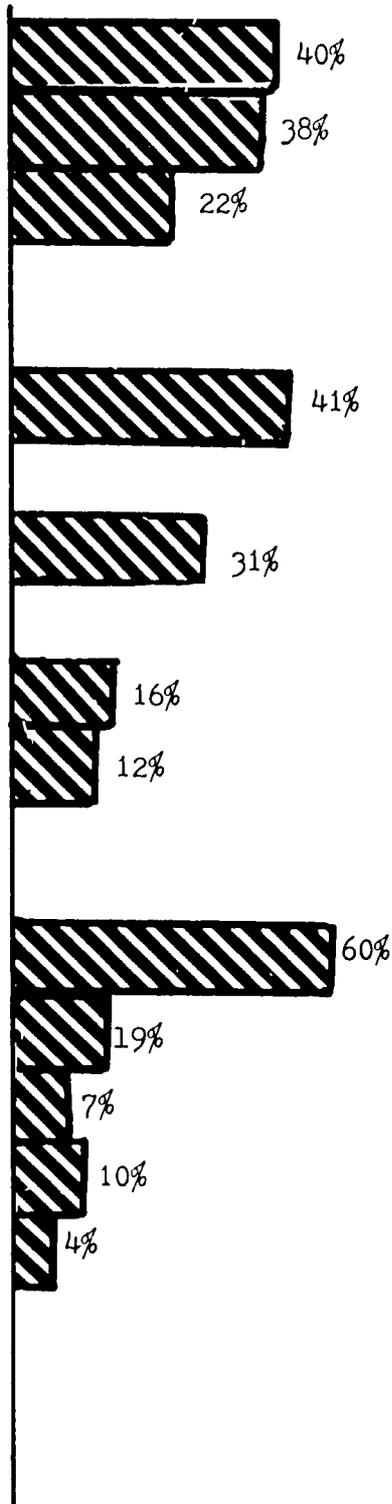
7%

Labor

10%

Other

4%



The productivity program started in earnest with the departure of an 11-man steel team on 31 May 1955 (5 agricultural extension specialists have been included in the over-all data, although they predated the official inauguration of the program and attended a conference on agricultural extension work in the Philippines in February 1955). Table 2 shows the number of participants who departed each year.

Table 2
YEAR OF DEPARTURE OF ALL PARTICIPANTS

Year of Departure	Number	Cumulative Total
1955	106	106
1956	374	480
1957	540	1020
1958	746	1766
1959 ^a	836	2602
1960	1011	3613
1961	849	4462
1962 ^b	253	4715
Total	4715	

^aThe participants included in the survey had all returned from training prior to January 1, 1960. Forty-seven who departed in 1959 had not returned by this date.

^bThis refers only to the first three months. In 1962 American support was withdrawn and 65 per cent of the participants during these three months were "self financed": i.e., the costs of their training were borne by their own organizations, industries or local trade associations.

The scale of this program is very impressive when it is appreciated that for every team departure there had been preparation sessions extending over several months and elaborate detailed preparation of itineraries and reservations by the offices in Tokyo and in Washington. The number of Japanese participants departing for training in 1960 was approximately three times the largest number of participants per year for the participant training program in any other country.

The distribution of participants in different fields of economic activity shows the emphasis given to industry and commerce in the productivity program. More important is the emphasis given to training for the policy-making administrators and executives, particularly in industry as shown in Table 3. The high proportion of policy makers in the "other" category was a result of the presence of representatives of professional, trade and agricultural associations at the national and regional levels.

Table 3

THE OCCUPATIONAL LEVEL OF PARTICIPANTS IN DIFFERENT FIELDS
OF ECONOMIC ACTIVITY
(in percentages)

Occupational Level	Field of Economic Activity (at Interview)				
	Agri- culture	Industry Commerce	Education	Labor	Other
Policy makers, Executives and Administrators	29	62	9	24	48
Subordinate management	61	30	-	76	44
Engineers and Professionals and others	10	8	91 ^a	-	8
Total N=(605)	(112)	(364)	(42)	(62)	(25)

^aThirty-seven participants were university teachers.

The size of the productivity program once it got under way required that elaborate care be taken with the selection of participants in order to insure that the training be made available as widely as possible throughout the economy. The following table was assembled to show how effectively this was done. The concentration of industrial and commercial enterprises, as well as the government, in the Tokyo area is reflected in the high proportion of participants from that area.

Table 4

AREA OF RESIDENCE OF THE PARTICIPANTS

	Participants			
	Total-4715		Sample-605	
	Number	Percent	Number	Percent
Hokkaido	<u>191</u>	<u>4.1</u>	<u>25</u>	<u>4.1</u>
Hokkaido Area	191	4	25	4
Aomori	13	0.3	1	0.2
Iwate	24	0.5	5	0.8
Akita	10	0.2	3	0.5
Yamagata	17	0.4	0	0
Miyagi	39	0.8	4	0.7
Fukushima	<u>22</u>	<u>0.5</u>	<u>5</u>	<u>0.8</u>
Tohoku Area	125	3	18	3
Gumma	18	0.4	2	0.3
Tochigi	15	0.3	2	0.3
Ibaragi	41	0.9	6	1.0
Saitama	112	2.4	16	2.7
Tokyo	1,938	41.1	267	44.1
Chiba	93	2.0	16	2.7
Kanagawa (Yokohama)	<u>360</u>	<u>7.6</u>	<u>51</u>	<u>8.4</u>
Kanto Area	2,577	55	360	60
Yamanashi	12	0.3	0	0
Niigata	30	0.6	1	0.2
Toyama	20	0.4	3	0.5
Gifu	41	0.9	2	0.3
Nagano	27	0.6	4	0.7
Shizuoka	44	0.9	5	0.8
Aichi (Nagoya)	259	5.5	31	5.1
Ishikawa	19	0.4	3	0.5
Fukui	<u>8</u>	<u>0.2</u>	<u>2</u>	<u>0.3</u>
Chubu Area	460	10	51	8
Mie	35	0.7	4	0.7
Shiga	11	0.2	1	0.2
Kyoto	74	1.6	10	1.7
Nara	8	0.2	2	0.3
Wakayama	11	0.2	1	0.2
Osaka	318	6.8	45	7.4
Hyogo (Kobe)	<u>317</u>	<u>6.7</u>	<u>28</u>	<u>4.6</u>
Kinki Area	774	16	91	15

Table 4, AREA OF RESIDENCE OF THE PARTICIPANTS (Cont'd)

	<u>Total-4715</u>		<u>Sample-605</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Tottori	14	0.3	2	0.3
Okayama	43	0.9	4	0.7
Hiroshima	77	1.6	9	1.5
Shimane	15	0.3	1	0.2
Yamaguchi	40	0.8	5	0.8
Chugoku Area	189	4	21	4
Kagawa	29	0.6	2	0.3
Tokushima	12	0.3	1	0.2
Kochi	16	0.3	3	0.5
Ehime	26	0.5	2	0.3
Shikoku Area	83	1	8	1
Fukuoka	205	4.4	26	4.3
Saga	8	0.2	0	0
Nagasaki	27	0.6	1	0.2
Kumamoto	16	0.3	2	0.3
Oita	20	0.4	0	0
Miyazaki	25	0.5	2	0.3
Kagoshima	15	0.3	0	0
Kyushu Area	316	7	31	5
Grand Total	<u>4,715</u>	<u>100%</u>	<u>605</u>	<u>100%</u>

Chapter III

PREPARATION FOR DEPARTURE

The large majority of the participants in the program took part in planning of their programs. That is to say, they were included in discussion sessions and seminars during which the itinerary and content of their observation tours and objectives of their training were planned and discussed. The JPC officer in charge of the particular program and the U. S. technician were involved with the participants in this process. Seventy-five per cent of the participants took part in these sessions but a third of these felt they would have liked more to say about their program during planning. However, only about half of the participants who did not take part in the planning sessions said they thought it would have helped their programs. (Tables 5 and 6.)

Table 5

PARTICIPANTS' ROLE IN PLANNING THEIR PROGRAMS

	Participants	
	Number	Per Cent
Took part in planning	452	75
Did not take part	149	25
Don't remember	4	-
Total	605	100

Table 6

PARTICIPANTS' OPINIONS OF THE VALUE OF AN INCREASE
IN THE PART THEY PLAYED IN PLANNING THEIR PROGRAMS

	Participants	
	Number	Per Cent
Satisfied With Part in Planning	368	61
Desired More Part in Planning	85	14
Would Have Liked to Take Some Part in Planning	86	14
Did Not Feel a Part in Planning Would Be Valuable and Not Ascertained	66	11
Total	605	100

To a certain extent, the very nature of the objectives envisioned by the productivity program transcended the experience and conceptions of the participants. Herein, of course, lies much of the **problem** faced by the productivity program. No one suggested to the Japanese that they imitate American production and management methods (the Japanese are quite unnecessarily sensitive about this), but they were encouraged to emulate the flexibility and adaptability of American enterprise. Therefore, those participants (28%) who expressed some dissatisfaction with the part they played in planning their programs may well have represented a group who

felt they knew what they were going to learn more clearly than the technicians of the mission or program planners of the JPC. The criticisms of the programs made by participants usually fell in the category: "We wanted to visit a particular plant and were taken to see something else." It may be that further efforts on the part of the JPC and the Mission could have reduced the 29 per cent figure to a lower one.

The participants were in general satisfied with the extent to which they took part in planning their programs. The participants in industry, the major group, had the lowest proportion who did not take part. The education group had the greatest percentage of participants who said that they wished they had had more say in how their programs were planned. (Tables 7 and 8.)

Table 7

THE EXTENT OF PARTICIPANTS' ROLE IN PLANNING THEIR PROGRAMS BY FIELD OF ECONOMIC ACTIVITY AT THE TIME OF THE INTERVIEW
(in percentages)

Field of Economic Activity	Took Part in Planning		Total Per Cent	Total (N)
	Yes	No		
Industry, Commercial and Trade or Industrial Association Officers	80	20	100	(364)
Agriculture	64	36	100	(112)
Education	64	36	100	(42)
Labor	69	31	100	(62)
Other	76	24	100	(25)

Table 8

SATISFACTION OF PARTICIPANTS WITH THE EXTENT OF THEIR PART
IN PLANNING THEIR PROGRAMS, BY FIELD OF ECONOMIC ACTIVITY
AT THE TIME OF THE INTERVIEW
(in percentages)

Field	Satisfied	Would Have Liked More Say in Planning	Total Per Cent	Total (N)
Industry	79	21	100	(292)
Agriculture	90	10	100	(72)
Education	74	26	100	(27)
Labor	86	14	100	(43)
Others	84	16	100	(19)
Total Who Took Part in Planning				(453)

The participants' answers to questions about the importance of various factors influencing their selection for training can be summed up as follows: they felt that the needs of the job, their personal ability and their professional and educational qualifications were very important, but that personal ability was of utmost importance in their selection. It was not expected that most study team members would require a knowledge of English. It was considered to have been an important factor in their selection by only 24 per cent of the participants. Table 9 shows that the participants who went on long programs generally needed English in their training programs.

Table 9

REQUIREMENTS OF KNOWLEDGE OF ENGLISH BY PARTICIPANTS
WITH DIFFERENT LENGTH PROGRAMS
(in percentages)

Length of Program	No English Required (Traveled With Interpreter) (N=502)	Knowledge of English Required (N=103)
Less than 1 Month	2.6	2.9
1 Month to Just Under 2 Months	83.8	26.2
2 Months to Just Under 4 Months	13.0	20.4
4 Months to 2 Years	0.6	50.5 ^a
Total	100	100

^aOver 70 per cent of this group spent just under a year in training.

It is not valid to conclude from the above that the qualifications of hundreds of candidates were reviewed before any one participant was selected. The procedure was for the JPC to discuss the sending of productivity study teams with the national manufacturing associations -- for example, in the fields of office management and cost accounting. Following this a suggested list of names was assembled from which the final candidates were screened. The priority given to a particular candidate reflected not only his own personal qualifications but the relative importance of his industry and the position which he occupied. The projected large number of study teams under the productivity program allowed the scheduling

months in advance of almost all the crucial management personnel in the leading enterprises of Japan. Not the least of the considerations in selection was the prestige of an individual, enabling him to convey to a significant degree the new knowledge and point of view he would bring back with him.

Much of the success of the productivity program in Japan was a result of the extensive preparation undertaken by the study team members before they departed. A measure of this preparation is the responses they gave to questions about their satisfaction with the amount of information they received on several aspects of their trip. The preparation sessions were intended to be exhaustive. Admittedly the responses were given retrospectively, so that the participants' responses can be taken to indicate not so much generalized oversights in the briefing and orientation sessions as specific problems the participants encountered which may not have been possible to anticipate. The participants most often said they had not received enough information about where they would be going. The 28 per cent who made this statement were particularly concerned with knowing exactly the plants or particular institutions they would visit before they departed. To be sure, this is a legitimate and desirable consideration; unfortunately their trip could not always be planned or foreseen in such detail. In about 10 per cent of the cases important changes were made after the arrival of the participants but most of the participants felt these changes were necessary and had requested them.

Some Japanese felt the general subject of customs and social conditions was one which could have been given more attention in their preparation, but over 90 per cent of the participants had no complaints about their predeparture briefing sessions. One feature of the departure of the study teams which may have been as important as any other was the conscientious holding of a ceremonial departure luncheon with dignitaries from the American Embassy and the JPC as well as from Japanese industry or government ministry. The ceremonies to the officials and hosts (in peak months, 5 or 6 a month) may have seemed routine and irksome, but to the participants about to depart on one of the most exciting experiences of their lives, they gave fitting importance to the undertaking.

Upon the arrival in the United States 72 per cent attended orientation sessions lasting more than one day (Figure 2). In point of fact, these were an integral part of the productivity study teams' scheduled conferences with their program manager and technical advisors. The sessions covered not only living and travel problems but the basic orientation toward the philosophy of productivity. Only 8 per cent of those who participated in these sessions felt that the time could have been spent to better advantage on the rest of the program.

Figure 2

ATTENDED ORIENTATION SESSION AND
OPINION OF USEFULNESS



Chapter IV

THE TRAINING PERIOD

The majority of the Japanese participants were involved in productivity study teams which were principally engaged in observation tours lasting about 6 weeks. Table 10 shows the breakdown of all the participants sampled, showing type of program and length.

Table 10

TYPES OF PROGRAM OF THE PARTICIPANTS AND TIME SPENT
(in percentages)

Type of Program	Duration of Programs						Total Per Cent	Total (N)
	Less Than 1 Mo.	1-2 Mos.	2-4 Mos.	4-6 Mos.	Over 6 Mos.	No Answer		
Observation Tour	4	81	13	1	-	1	= 100	(574)
On-the-job Training	12	10	27	18	32	1	= 100	(40)
University Attendance	51	14	11	8	14	2	= 100	(91)

Since some of the participants had a variety of types of programs, e.g. some university attendance plus some on-the-job training, or other combinations, the total number of participants shown in Table 10 adds to more than 605 cases.

As shown in Table 11, industry participants, the largest single group, went on observation tours almost exclusively.

Table 11
TYPES OF PROGRAMS OF PARTICIPANTS IN INDUSTRY

Types of Programs	Industry Participants		All Others	
	Number	Per Cent	Number	Per Cent
Observation, OJT and University	4	1.1	10	4.2
Observation and OJT	1	0.3	9	3.7
Observation and University	11	3.0	55	22.8
Observation Only	338	92.8	146	60.6
OJT and University	1	0.3	3	1.2
OJT Only	4	1.1	8	3.3
University Only	2	.6	5	2.1
Not Classifiable	3	.8	5	2.1
Total	364	100	241	100

Ninety-one participants spent some time at an American university as part of their programs, only one, however, as a regular student. Sixty-nine per cent of them spent less than one month at a

university. The sessions during which study teams visited universities were predominately devoted to specially organized seminars pertinent to the interests of the group. The very high degree of specialization of the Japan study teams undoubtedly contributed to the team members' sense of accomplishment and satisfaction.

The participants' reactions to their programs were remarkably uniform. During what was a strenuous six weeks of visits to factories, offices, schools, homes, etc., dependent on interpreters, the study team members were exposed to a very concentrated program of cross cultural contact. Seventeen per cent said the programs required them to do and see too many things and 27.6 per cent said there was too little time for their personal interests. However, those who said they felt pressed by the pace of their programs were equally divided between "Very Satisfied" and "Moderately Satisfied." The participants who said they wanted more to do and see tended rather to be "Moderately Satisfied" as shown in Table 12.

Table 12

SATISFACTION WITH THE PROGRAM AND THE OPINION OF
PARTICIPANTS ABOUT THE NUMBER OF THINGS TO DO AND SEE
(in percentages)

Opinion of Number of Things to Do and See	Satisfaction with Program			(N)
	Very Satisfied	Moderately Satisfied	All Other	
Wanted More	36	57	7	(123)
Too Much	47	48	5	(103)
All Right As It Was	53	46	1	(376)
				<u>(605)</u>

The study team members' satisfaction with the organization of their programs is complimented by the finding that those participants who found the level of their programs "Too Simple" tended to be "Moderately Satisfied," while the participants who felt the level to be "All Right As It Was" tended to be "Very Satisfied" with their programs (Table 13).

Table 13

SATISFACTION WITH THE PROGRAM AND THE OPINION OF
PARTICIPANTS ABOUT THE LEVEL OF THE PROGRAMS
(in percentages)

Opinion of Level	Satisfaction with Program			(N)
	Very Satisfied	Moderately Satisfied	All Other	
Too Simple	24	64	12	(118)
All Right As It Was	54	44	2	(473)
Other	50	43	7	(14)
				(605)

Altogether the participants' answers to questions about pace and level of their programs can be interpreted as indicating that raising the level and intensity would have increased the satisfaction of the participants. This may also indicate a lack of coordination between the Mission or JPC personnel responsible for briefing the participants and the project managers in Washington with the result that the participants were led to expect more substantive return from their training than they received. The participants who criticized both the level and the pace of their program, however, constituted only 7 per cent of the entire group.

The relatively low amount of criticism the programs received is an indication of the overall enthusiasm of the participants (possibly also of the politeness of the Japanese character), but the unequivocal statement by 77 per cent who said that their training program was "One of the Most Important Things They Ever Did" is an accolade indeed.

Chapter V

IMPACT OF TRAINING

A number of indices have been developed which incorporate answers to several questions in a single ordinal measure. These indices include: satisfaction with the training program, satisfaction with the social aspects of the program, utilization (use of training and conveying to others the skills and knowledge acquired during training), and over-all satisfaction. In the following section of the report, cross tabulations will be used to show the significance of certain factors in the experience or attitudes of the participants for ultimate utilization of training and for satisfaction with the training program.

Figure 3 shows the distribution of the participants in the categories of the Utilization Index, the groupings used in the report.

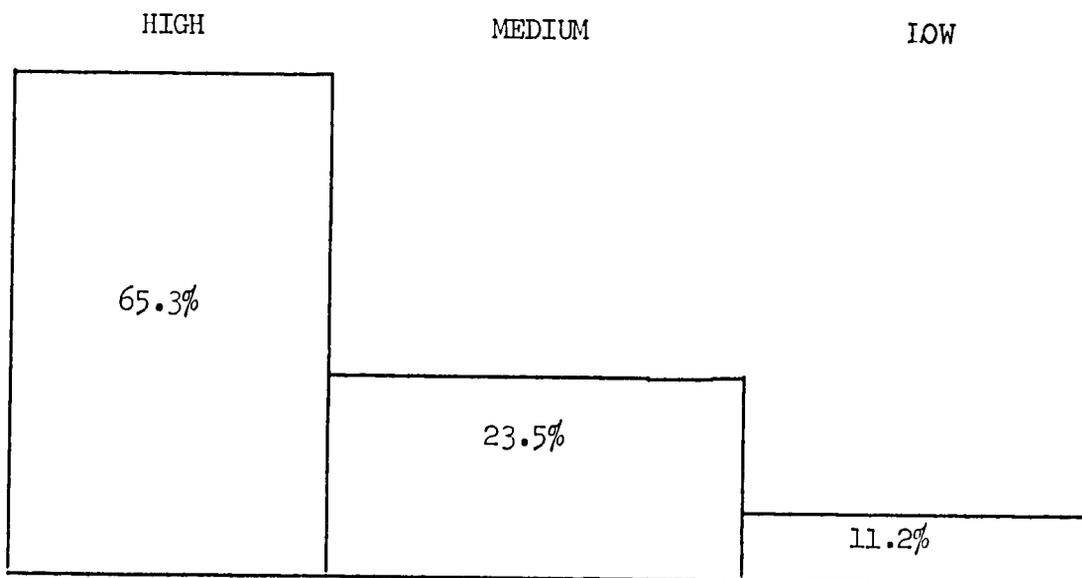


Figure 3, INDEX OF UTILIZATION OF TRAINING

The three categories used are to a certain extent arbitrary, with the two extremes of the scale being reasonably unequivocal in meaning. The participants who said they were able to use and communicate to others "quite a bit" or "almost everything; everything" of their new skills and knowledge were put in the HIGH category. Those who were not able to use or communicate more than "some" of what they had learned were scored in the LOW category. All the other combination of responses were classified as MEDIUM. (The precoded scale allowed for the following possible answers for both amount of use of skills and degree of communication of the skills to others: "none," "practically none," "only a little," "some," "quite a bit," and "almost everything; everything.")

The distribution of utilization scores in the different fields of economic activity shows the participants in "Education," predominantly the University professors, to be the highest utilizers. This is to some extent to be expected since they are professionally involved in either using or communicating new knowledge or methods principally in the two fields of agriculture and industrial and business management. The participants in "Labor" were weaker in utilization; "Industry" and "Agriculture" participants fell close together with a moderately high percentage of high utilizers.

Table 14

UTILIZATION SCORES OF PARTICIPANTS IN DIFFERENT FIELDS
OF ECONOMIC ACTIVITY AT THE TIME OF THE INTERVIEW
(in percentages)

Economic Activity	Utilization Scores			(N)
	High	Medium	Low	
Education ^a	86	9	5	(42)
Agriculture	68	22	10	(112)
Industry and Commerce	65	23	12	(364)
Labor	53	34	13	(62)
Other	60	28	12	(25)
All participants	65.3	23.5	11.2	(605)

^aParticipants in "Education" include 37 who were University professors either in agriculture (trained usually at the University of Massachusetts, at Amherst, for the staff of Hokkaido University) or in business management (trained either at the University of Michigan, Ann Arbor, or at Harvard for the staffs of Waseda University or Keio University). Thirty-three of the 37, or 89%, had High utilization index scores.

The proportion of high utilization scores is surprising for two reasons. The abstract and general nature of the idea of productivity made it difficult for the Japanese to grasp since they were disposed to look for specific directly applicable techniques. Furthermore American industrial management had evolved a highly complex interconnected system of principles which were not susceptible to piecemeal transposition to a new context.

There were furthermore various inherent handicaps which the Japanese recognized themselves. Their language, in written form, almost precludes the application of many modern American office procedures. The traditional wage-salary system interfered with the advancement of personnel on the basis of ability (i.e., productivity). The inherent conservatism of Japanese social relations tends to foster the gradual adoption of different patterns of work organization rather than radical innovation. However, the very processes of predeparture preparation and post-training recapitulation seminars enabled the participants to develop a consensus about their interpretation of the idea of productivity and to project changes applicable to the Japanese context.

A variety of specific practices were reported to have been introduced by the Industry participants with considerable success: market analysis and market-oriented production, cost accounting, flow of work in office organization, line and staff structures of authority and responsibility, mechanized material handling, industrial engineering, comptroller functional separation, statistical quality control inspections, and executive training programs. Training for the Agriculture participants stressed specific methods of increasing livestock production, raising forage crops and conservational forestry practices.

The participants in the field of Labor had somewhat special problems in using their training in terms of the productivity program. They were able to use and convey to others less on the average than men in other areas of economic activities, a fact that can

be attributed to a number of factors. The public support of labor leaders was considered essential to the success of the productivity program and they were included in the study teams less for what they could learn specifically about increasing productivity but mainly to learn how increased productivity would affect workers and benefit the country. The conservatism of the labor leaders in Japan and much of their resistance to changing production methods stemmed from a belief that the labor surplus was permanent and that the traditional NENKO-JORETSU wage salary system gave labor its greatest security.¹

The Labor participants were not, however, completely immune to the training they received and many spoke of plans to introduce new ideas in their work; but 40 percent of them said that the things they had learned in America were too different to be applicable in Japan.

The relation of the utilization scores of the participants to other factors shows that participants who were most satisfied with their predeparture briefing were more likely to have higher utilization scores. Table 16 can be interpreted as showing that those who got most out of their briefing were better able to digest and subsequently use what they were exposed to during training.

The utilization of training by the participants shows a gradual increase with the time elapsed since their training experience. The proportion of participants in different fields of activity from year to year

¹See Appendix C for a brief description of Japanese labor traditions.

was relatively constant so we can conclude that in applying their training it simply took time to exploit fully what the participants had learned. It is important, however, to remember that the participants in the first year of the program tended to be selected from key positions and perhaps enjoyed the support and encouragement needed to implement their training more fully. Table 15 shows the effects of these factors on utilization.

Table 15

UTILIZATION SCORES OF PARTICIPANTS BY THE TIME
THAT HAS ELAPSED SINCE THEIR RETURN FROM TRAINING
(in Percentages)

Time Back	UTILIZATION			(N)
	High	Medium	Low	
1 to 2 years	60	31	9	(137)
2 to 3 years	61	28	12	(201)
3 to 4 years	72	15	13	(134)
4 to 5 years	70	23	8	(88)
5 years and over	77	9	14	(45)
				(605)

Table 16

UTILIZATION SCORES OF PARTICIPANTS BY SATISFACTION
WITH THEIR BRIEFING PRIOR TO DEPARTURE
(in percentages)

Satisfaction with Briefing ^a	Utilization Scores			(N)
	High	Medium	Low	
High	67	22	11	(510)
Low	57	35	13	(95)
				(605)

^aParticipants were asked a series of questions about whether they felt they had received enough information about five aspects of their program and five aspects of life in the country of training. "High" satisfaction was the category assigned to participants who expressed no more than two reservations about their briefing, one on the subject of program and one on the subject of country of training.

The participants who were well satisfied with their briefing prior to departure also tended to be the ones with high over-all satisfaction with their program; in other words they had a more positive orientation toward their program. Parenthetically, while the differences on this measure are not very great between the participants in different fields of economic activity, it can be noted that those in Industry and Commerce were more enthusiastic (and those in Labor and Trade Unions less enthusiastic) in expressing their satisfaction with their programs (Table 17).

Table 17

PARTICIPANTS' SATISFACTION WITH THEIR PROGRAMS
BY FIELD OF ECONOMIC ACTIVITY
(in percentages)

Economic Activity	Satisfaction			(N)
	Very Satisfactory	Moderately Satisfactory	Not Too Satisfactory	
Industry and Commerce	51	44	5	(364)
Agriculture	46	51	3	(112)
Education	40	60	-	(42)
Labor	31	66	3	(62)
Other	60	36	4	(25)

There is a constellation of factors associated with high utilization and related also to the original intention of the productivity program: to send experienced upper management men on the productivity study teams. As a consequence, we would expect them to be men in their forties and fifties. At this level they would have had 10 or more years of experience in their specialties, and would be better able to introduce innovations in their businesses because of their high rank, seniority and authority. The longer they had been back from their training program the more they would be able to use and convey to others what they had learned.

Taking the participants as a whole, the large number of Industry participants with high occupational level and high utilization scores

dominates the picture. A breakdown into subgroups by field of economic activity and occupational level within the training fields shows that participants in the field of Labor consistently had the lowest percentage of high utilizers regardless of occupational level.

Comparisons of subgroups of participants in the training programs of other countries with more heterogeneous backgrounds and types of program have permitted one to assess, on the basis of their utilization scores, the relative effectiveness or importance of certain factors in the participants' experiences. In the productivity program as implemented in Japan, however, the majority of the participants came from similar background, underwent similar predeparture preparation, received similar training exposure during observation tours in the United States, and returned to their previously-held jobs in Japan.

In the face of this homogeneity of the participants from Japan other data based on the general measure of utilization will be presented in the following section.

It is appropriate to consider whether the selection procedures had affected the ultimate utilization by the participants. Obviously some individuals were selected who may not have been expected to "utilize" their training themselves at a high level, but were sent on training programs because of the special nature of their position. Individual cases like this cannot be identified from the data; however, they are known to have existed.

The utilization by Japanese participants varies somewhat, according to different items or variables. The list below summarizes the groups with the highest utilization:

SUBGROUPS OF PARTICIPANTS WHO HAD THE HIGHEST PERCENTAGE
OF HIGH UTILIZATION
(Tables in Appendix D)

- Engineers and professional men as compared to other occupational groups.
- Men between 40 and 49 years of age compared to older or younger participants.
- University graduates with BA degrees as compared to non-university trained men or those with higher graduate degrees.
- Participants whose programs lasted longer than two months compared to those with shorter programs.
- Men on jobs with co-workers who had also been trained abroad compared to those with no co-workers trained abroad.
- Participants who had contact with an American technician compared to those who had no contact.

The role of the supervisor in helping the participant use his training may well be a crucial factor in view of the strong authoritarian orientation in Japanese life. The participants were asked to judge their supervisor in terms of helpfulness on a four point scale from "very helpful" to "not helpful." In Table 18 we have collapsed the last two categories (neutral and not helpful) because of the very small number (7 participants) who said their supervisors were "not helpful."

Table 18

THE EFFECT OF SUPERVISOR HELPFULNESS ON
UTILIZATION OF PARTICIPANTS
(in percentages)

Helpfulness of Supervisor in Utilizing Training	Utilization			(N)*
	High	Medium	Low	
Very helpful	75	21	4	(248)
Somewhat helpful	57	29	14	(100)
Not helpful or Neutral	37	39	24	(70)
(No Supervisor)	70	19	11	(178)
				<u>(596)</u>

*Excludes nine cases who were not ascertained.

Where the supervisor was adjudged helpful, participants had higher levels of utilization. Participants with no supervisor (in other words, worked independently) were able to use their training to almost as great an extent. It is interesting to note that in all the fields of economic activity, the Labor participants had the highest proportion (4 out of 9) who said they had no supervisor. (Table 19)

Table 19

THE FIELDS OF ECONOMIC ACTIVITY OF PARTICIPANTS
WHO HAD NO SUPERVISOR

Field of Economic Activity	Participants having no supervisor	
	Per Cent	Total (N)
Industry and Commerce	31	(357)
Agriculture	17	(112)
Education	31	(41)
Labor	44	(62)
Other	28	(24)
All Participants	30	(596) ^a

^aExcludes 9 cases not ascertained

The participants in different fields of economic activity found their supervisors to be quite different in helpfulness. Participants in commerce and industry found their supervisors most helpful; those in labor found them the least helpful. (Table 20)

Table 20

THE HELPFULNESS OF SUPERVISORS TO PARTICIPANTS
IN DIFFERENT FIELDS OF ECONOMIC ACTIVITY
(in percentages)

Field of Economic Activity	Supervisor Helpfulness			Total (N)
	Very Helpful	Somewhat Helpful	Neutral, No Help	
Industry and Commerce	64	24	12	(245)
Agriculture	56	27	17	(93)
Education	50	22	28	(28)
Labor	43	23	34	(35)
Other	59	18	23	(17)
				(418) ^a

^aExcludes 178 participants who had no supervisor and 9 cases where helpfulness of the supervisor was not ascertained.

As the age of the participants increases two effects are apparent. The older participants were less likely to have a supervisor and the younger participants were more likely to find their supervisor only somewhat helpful or neutral. (Table 21)

Table 21

THE AGE OF PARTICIPANTS BY THE HELPFULNESS OF
SUPERVISORS IN THE UTILIZATION OF TRAINING
(in percentages)

Age of Participants	Helpfulness of Supervisors		No Supervisor	Total (N)
	Very Helpful	Somewhat Helpful, Neutral or No Help		
Under 39 Years	39	43	19	(121)
40 to 49 Years	46	29	25	(233)
Over 50 Years	38	15	47	(211)
				(605)

The effects of this age difference are probably operative in the following table which shows that a larger percentage of the participants at the policy-making occupational level had no supervisors, and if they did have a supervisor he was "very helpful" to the participants. Table 22 reflects the importance attached to the productivity program by the highest management level of Japan.

Table 22
 COMPARISON OF
 PARTICIPANTS WITH SUPERVISORS WHO WERE "VERY HELPFUL"
 WITH PARTICIPANTS WHO HAD NO SUPERVISORS,
 BY OCCUPATIONAL LEVEL AT DEPARTURE

Occupational Level	Participants With Supervisors		All Participants	
	Very Helpful Per Cent	Total (N)	With No Supervisor Per Cent	Total (N)
Policy Makers, Executives and Administrators	73	(156)	46	(289)
Subordinate Management	51	(207)	12	(235)
Engineers and Professionals	50	(46)	26	(62)
Others	39	(18)	5	(19)
		<u>(427)</u>		<u>(605)</u>

It is worth noting that participants whose programs required a knowledge of English did not differ in ultimate utilization as compared to the study team members who traveled with interpreters. Another negative finding is that supervisors with foreign training did not seem to be more instrumental in helping the participants use their training than supervisors without foreign training.

In the last analysis the judgment of the participants as to the importance of the training program for their jobs or, in the overall

sense, for their careers is a valid measure of the technical assistance program. Seventy-seven per cent of all the participants said their program was "one of the most important things they ever did," with those in the fields of industry and agriculture being more favorable than participants in other major economic areas.

Table 23

THE IMPORTANCE OF THE TRAINING EXPERIENCE TO
PARTICIPANTS IN DIFFERENT FIELDS OF ECONOMIC ACTIVITY
(in percentages)

Economic Activity	"One of the most important things I ever did"	"Of less importance"	Total (N)
Industry and Commerce	78	22	(364)
Agriculture	79	21	(112)
Education	69	31	(42)
Labor	71	29	(62)
Other	84	16	(25)
			(605)

Appendix A

I - BACKGROUND OF THE PRODUCTIVITY PROGRAM

During the occupation period (1945-52) about two billion dollars had been employed in the form of grants of food, raw materials, equipment and the retraining of Japanese technicians to help reestablish Japan's ability to support herself. The austerity programs and the heavy taxation imposed by the Japanese government enabled it to invest on an even greater scale in the rehabilitation of Japan's economy. The recovery of her economic activity to prewar standards was achieved and further American aid was suspended. Unlike the underdeveloped countries in the rest of the world, Japan possessed a literate trained population, an indigenous industrial base and an abundance of competent and experienced scientists, engineers, and administrators to carry on the expansion of their industry without outside help. The recovery was spectacular and assisted by a series of fortuitous circumstances. The Korean War brought the expenditures of the United Nations forces. Exports developed and several years of good harvests contributed to the general level of economic well-being.

Essential, however, to the Japanese economy was the import of about 20 percent of her food and 80 percent of her raw materials and fuel. To maintain at least a balance of exports over imports was not enough to keep pace with the growing population and a rising standard of living. By 1953 the weakness in the situation was becoming apparent.

Japan was faced with a serious deterioration of her international credit position. The cessation of hostilities in Korea curtailed the hard currency expenditures of the United Nations forces based in Japan and a recession in world trade coupled with a poor rice harvest combined with a consumption boom to create a large imbalance of imports over exports. A limit of 100 million dollars was imposed on Japanese borrowing by the International Monetary Fund.

Japan's position in world trade was particularly serious. She had depended for her export markets on relatively marginal demands for cheap goods. These markets however, with the then current recession, tended to weaken, leaving Japan with a vanishing proportion of the diminishing general trade. Her growing population and increased demands for raw materials made her financial situation critical.

The problems facing the United States in the Far East were equally serious if somewhat less immediate. The uneasy truce in Korea required standing forces there. The increasing strength of the communists in China was a threat to Taiwan and South East Asia. Japan would be dependent on U. S. resources should her economy falter leaving her vulnerable to political unrest and communist agitation and decreasing her value as a base of defense in the western Pacific.

It was, therefore, with considerable concern that the American government watched the deterioration of the Japanese financial position. In an effort to retrieve control over the situation and improve their credit standing the Japanese Ministry of Finance undertook to adopt

strict financial measures which they successfully applied and achieved a spectacular reduction in the weekly wholesale price index of 10 per cent in a period of six months from August 1953 to February 1954.

The Japanese people were accustomed to privations during the war and austerity during the occupation but had by 1953 begun to enjoy some measure of increased consumption. Their vitality and enthusiasm had also returned after the shock of defeat. So the prospect of indefinite severe controls over financial activity and the acceptance of an adequate but somewhat ascetic consumption pattern enforced by a precarious balance of trade was not attractive. During the previous summer, Mr. Robert Murphy (then Deputy Under-Secretary of State) had suggested to a member of a Japanese Finance Ministry delegation in Washington, Dr. Gengo Suzuki¹, that fundamental changes were needed in Japanese management's view of their job. In a word, only productivity could solve Japan's problems in the long run. Dr. Suzuki's background as a labor economist included an appreciation of the importance attached to productivity by industrial economists and Mr. Murphy's suggestion was a seed that immediately took root. Dr. Suzuki saw clearly what a drive to increase productivity could do to transform Japan's economy. He also was keenly aware of the problems to be overcome. The word itself in Japanese "SEISANSEI" had been used by the communists to refer to exploitation or "sweatshop" conditions in industry. Even liberal and

¹Now Executive Director of the International Monetary Fund.

labor circles viewed efforts to change work methods with disfavor. But this was less a doctrinaire ideological position than a recognition that the majority of Japanese workers were employed at low wages for long hours in labor-intensive work. The labor supply was felt to be nearly inexhaustible and the traditions of permanent employment were deeply imbedded in Japanese life.

The obsolescence of management in Japan was an almost unthinkable concept, but indirectly this is exactly what was implied in the proposal to give training in productivity to Japanese top industrial management. Whereas Japanese supervisory level workers and middle management had benefited from a series of training courses introduced by GHQ of the occupying authorities, top management had been faced with several serious handicaps. Foremost among these was the disorientation of the national economy as a result of the official dismemberment of the ZAIBATSU, the great family-owned financial interests. These had provided a stability and continuity to the economy and were symbolic of the conservatism of top management philosophy. There had, furthermore, been little incentive during the later 1930's and the war years for business initiative or competition in an economy almost exclusively devoted to war production and directly subject to the plans of the military leaders.

Another handicap that Japanese industry faced was the traditional process of recruitment and training of managerial personnel. Graduates in the fields of liberal arts and engineering of the universities were hired on a highly competitive basis and devoted the rest of

their lives to one particular company. There were almost no courses in advanced business management, and training for top executives was through on-the-job guidance rather than a formal management development program. Without the injection of new ideas and techniques, the apprenticeship system of the management status structure based almost exclusively on seniority tended to become moribund. While some programs for executive development existed in many of the larger companies the majority of small highly competitive and almost marginal companies could afford little in the way of a program for improving their management competence.

As a consequence the economic recovery of Japan up to this point could only be a hope for the restoration of Japanese industrial production to something like a prewar level -- the normal pace of change in technology, of production, of personnel promotion, of investment.

In order to carry his suggestion further, Mr. Murphy arranged for a meeting of members of the Japanese Finance Ministry delegation to the International Monetary Fund including also the Japanese Ambassador and some representatives of American industry. This meeting led to a more formal step: Mr. Harold Stassen, the new Director of the United States Foreign Aid program, visited Japan and proposed to the Japanese that the U. S. undertake a program of technical assistance. Clarence Meyer, the head of the Marshall Plan mission to Austria and a man with extensive business experience in the Far East, was sent to Tokyo during the early fall of 1954 to elaborate the details and to negotiate the agreement. He subsequently was assigned to Tokyo as Mission Director.

The idea of "productivity" as an innovation was received with mixed reactions but impetus was given in various ways. The New York representative of the Nippon Keisai (the Japanese counterpart of the Wall Street Journal and the Journal of Commerce), Mr. Tokiyana, had filed a story about the discussions initiated by Mr. Murphy in the summer of 1953 and the whole first page of the paper was devoted to an exposition of the meaning and implications of "productivity." There had developed sufficient interest among Japanese leaders so that in December 1953 four leading business organizations undertook to sponsor the productivity movement, The Japan Management Association, the Japan Chamber of Commerce, the Japan Federation of Management Associations and the Japan Federation of Economic Associations. The President of the latter, Mr. Toizo Ishizaka, eventually became chairman of the Japan Productivity Center. By March 1954, the Commission for Higher Productivity was established. It was reorganized as the Japan Productivity Council in June. In the Fall of 1954 the dominant political party, the Liberal Democratic Party, adopted "productivity" as a plank in its platform and the Japanese Cabinet decided to support the Japan Productivity Center (JPC) from the regular government budget and to conclude a technical assistance agreement with the United States.

The speed of these developments is an indication of the seriousness of the problem of Japan's economy and the support given to the productivity program by the highest levels of Japanese leadership.

The JPC has continued operations under Japanese Government sponsorship since 1962 and by 1965 had sent a total of over 6000 Japanese nationals abroad on a wide variety of programs, all related to the central problem of increasing Japanese productivity in every branch of their economy. The JPC has also participated in a productivity program with other South East Asian countries, thereby spreading the value of the program and increasing the capacity of Japan's customers to absorb her increased production.

II - DESCRIPTION OF THE TECHNICAL COOPERATION PROGRAM IN JAPAN*

A. Organizations Involved in the Japanese Productivity Program

1. Japan Productivity Center (JPC)

The Japan Productivity Center was established about two months after the United States Operations Mission to Japan was opened in January 1955. The Japanese Productivity Center was designated by the Japanese Government to serve as the counterpart agency for the USOM under a bilateral agreement dated April 7, 1955, and signed by the American Ambassador and the Japanese Foreign Minister. The JPC, in cooperation with USOM, coordinated all aspects of the productivity program. However, the immediate functions of its staff were in the fields of industrial production, business management and finance, labor and labor-management relations and land transportation. The administrative costs and operational expenses of the Japan Productivity Center were supported partially by grants from the Japanese Government budget and partially by contributions from private industries, as well as JPC's own income from contractual services.

2. The Agricultural Productivity Conference (APC)

Shortly after JPC was established, the Agricultural Productivity Conference (officially called Agriculture, Forestry and Fishery Higher Productivity Conference) was organized as a semi-autonomous but subordinate element of the Japan Productivity Center. The

Agency was designated by the Japanese Government to cooperate with
*Prepared by Mrs. Emiko Ohga, member of the USOM staff from its inception to its termination.

the USOM on agricultural activities. The president of this agency has been a former Vice-Minister of Agriculture, Mr. Shiro Tohata, since its inception, and it worked in close liaison with the Ministry of Agriculture and the Japan Productivity Center even after the ICA program in Japan was terminated. The agency emphasized particularly the development of upland agriculture and livestock production. The operational expenses of the program carried on by the agency were financed partially by the Government of Japan's regular budget through the Japan Productivity Center. The agency's administrative expenses were covered by private contributions from the agricultural organizations from which participants were drawn for the program. After the ICA program was terminated, APC made a new agreement with the U. S. Department of Agriculture for four agricultural teams to visit the United States for the study and observation of various aspects of agricultural problems every year, and the Japan Productivity Center currently provides interpreter service for the teams.

3. The Japan Civil Aviation Bureau (JCAB)

In 1957, the Japanese Government designated the Japan Civil Aviation Bureau in the Ministry of Transportation (JCAB) to coordinate activities with the JPC and the USOM in the field of civil aviation management. The USOM provided the necessary training to enable Japan to take over its own civil aviation facilities and

responsibilities, and to fulfill modern civil aviation standards.

4. Waseda University

University affiliations were also established by the Japan Productivity Center. Waseda University (37,000 students) affiliated with the University of Michigan in 1955 in order to train Waseda faculty members at Michigan and for Michigan professors to participate at Waseda in the fields of industrial management and engineering. Although the ICA funding for this contract was completed in June 1959, both universities are continuing the professional exchange programs. As a result Waseda University has established an Institute for Research in Productivity, known as IRP, to develop methods of industrial productivity and to provide technical services to Japanese industry. IRP provides a technical library, conference rooms, IGP-30 computer and staff consultants.

5. Keio Gijuku University

Keio University developed liaison under ICA financing arrangements with Harvard University in the fields of management-training and business administration between 1957 and 1960. This program led to the establishment of an undergraduate school of business administration in 1962 and ultimately a graduate school of business at Keio University. Harvard faculty members were sent to Keio early in 1960 to assist the Keio faculty already trained at Harvard in organizing a Graduate School of Business Administration in Keio along the lines of the Harvard Graduate School of Business Administration.

6. Hokkaido University and Ministry of Education

In the field of upland agriculture and livestock and food technology, Hokkaido University (7,000 students) was affiliated with the University of Massachusetts at Amherst, Massachusetts, in November 1957. Although ICA funding for the project was terminated in 1959, the exchange of faculty members continued until August 31, 1961. Since Hokkaido University is one of the Japanese National Universities, the Ministry of Education became the official channel for the project between JPC and Hokkaido University. The Ministry of Agriculture and the Hokkaido Prefectural Government cooperated with agricultural producers and processors, and worked together with Hokkaido University and the Ministry of Education. Progress was made in utilization of the experimental station facilities of the above mentioned governmental agencies, and Hokkaido University gave technical background training for agricultural extension personnel of the Hokkaido Prefectural Government. Private agricultural industry participated in the Hokkaido-Massachusetts program, and utilized the facilities of the University or gave financial assistance, to make high-level research personnel available to the University as lecturers.

7. Japan Atomic Energy Research Institute and Atomic Energy Bureau

In the field of Atomic Energy the above agencies assisted the Japan Productivity Center in selecting Japanese participants to be sent to the United States to study the administration of the U. S. atomic energy programs or to study at the National School of Nuclear

Science and Energy, Argonne National Laboratory.

In dealing with all of the Japanese agencies, the universities or ministries, USOM made it very clear that its role in the productivity program was of a supporting nature and that the Japanese themselves must have primary responsibility both with respect to the financing and execution of the program. Japan manifested an increasing capacity to handle and finance the program, and in view of Japan's greatly improved economic position, the bilateral technical cooperation program was terminated on June 30, 1961.

B. Technical Cooperation Program Operations in Japan

1. How the Programs were Implemented

- a. Each year the top officials of the Government of Japan the Japan Productivity Center, and the USOM to Japan drafted a proposal for the following U. S. Fiscal Year's overall technical cooperation program in Japan.
- b. According to the draft, the USOM Program Office prepared "The Operational Program Approval Request" and submitted it to ICA in Washington.
- c. At the same time, according to the program submission, the USOM program officers held a session with the USOM field officers and JPC as well as its related agencies to discuss the feasible allocation of the ICA funds and the program for the coming year.
- d. JPC and its related agencies drafted their program proposal in detail as to numbers of teams, participants, or long

term participants to be sent for training, or type of arrangements they needed. Each team project was proposed by the agencies to help overcome deficiencies in productivity in a specific problem area of importance to the Japanese economy.

e. The program proposals of the agencies were reviewed by each USOM field officer in conjunction with JPC to determine its importance and practicability.

f. After the review and approval of the program by the USOM, Japanese agencies participated in selecting participants.

2. Overseas Study Teams

One of the major elements of the technical cooperation program in Japan was the sending of Japanese people to the United States for short term periods of observation study as a team. The total of 411 teams were sent to the United States during the program in Japan in the fields of: Agriculture (52 teams), Industry (239), Labor (74), others (46). The teams were usually composed of from 6 to 12 participants, who visited the United States for a period of 5 to 6 weeks.

a. The Selection of Team Participants

Industry:

The Japan Productivity Center took initiative in selecting participants for the teams in the field of industry.

After the nature and objectives of the team was decided, JPC requested business associations, corporations or federations to recommend appropriate persons to be sent to the United States as team participants. Usually a team leader was the first one to be nominated, and the selected team leader candidate would cooperate with the organizations in selecting team members. If the nature of the team represented a geographic area and its productivity movement, the Japan Productivity Regional Centers were requested by JPC to nominate the team leader and thereupon team members. In some cases, JPC asked leading Japanese Universities or the Japanese Government for their consultation in member selection. The final selection of the participants was made by JPC Executive Committee, and the final list of the participants for each team was submitted to the USOM field officers.

Agriculture:

The Agriculture Productivity Conference, and the Ministry of Agriculture were the principle organizations active in selecting the team leaders as well as team members in the field of Agriculture Productivity Teams.

Civil Aviation:

Japan Civil Aviation Bureau, Ministry of Transportation, had full responsibility in selecting study team participants

as well as long term participants.

Labor Program:

Labor Program Division of the Japan Productivity Center asked federations of labor unions or nationally known labor organizations to nominate labor union members for the labor productivity teams as well as for industry productivity teams which included management and labor people. Participants from labor unions were not selected on the basis of individual aptitude but were selected as representatives of a union. In other words, labor unions were selected first for a team then representatives from each union were nominated for final review by the executive committee of JPC.

Peaceful Uses of Atomic Energy:

Japan Atomic Energy Research Institute and Atomic Energy Bureau cooperated with JPC and nominated possible candidates for productivity teams in the field of Peaceful Uses of Atomic Energy. All the team participants were chosen on the basis of demonstrated capacity to contribute to the productivity program in Japan.

b. Predeparture Activity for Team Participants Program

After the final selection of candidates for the teams were made by JPC, a "Biographical Data" document for each participant was submitted to the USOM. Simultaneously, JPC worked on the program drafting for each team with the cooperation of the selected participants. Description of team

activity, objective of the study and desired places to be visited in the United States were summarized and the information was submitted to the USOM. On the basis of the information, the USOM prepared a "Project Implementation Order (PIO/P)" and this document was sent to Washington together with Biographical Data 90 days prior to the team's departure. While the USOM was preparing the necessary documents for the program implementation, team members were given briefings by JPC as well as the USOM officials. Also, team members undertook research and study in preparation for their program in the United States. In the course of their preparation, team members utilized all available sources of information in order to ascertain the actual conditions and specific problems in their project field. Visits and observation tours of the members to respective business firms, industrial plants, government organizations or other agencies in Japan were included in their predeparture program conducted by JPC. On the basis of these visits, each team prepared a written predeparture report summarizing its findings in Japan. Copies of this report were sent to Washington as additional information to the PIO/P used in developing the program in the United States.

Upon the final review and approval of the program, ICA/Washington or its appointed agencies assigned a project manager to each team. The principal function of the project

manager was to be a controlling officer for the assigned team, and to develop the program and itinerary in the United States according to the PIO/P and any other additional materials. The Project Manager also made arrangements and set up appointments for the team members to visit the various organizations, and he was responsible for hotel and travel arrangements. The final itinerary and program was printed and copies were sent to the USOM Training Officer who had immediate contact with participants.

Two JPC interpreters who are stationed in Washington were assigned to each study team. They helped team participants in their program with simultaneous interpretation while they were in the United States. Therefore, team participants in all fields of training were not required to have any knowledge of English.

c. Follow-up Activity of the Team Participants

Upon the completion of the team study, each team member submitted a formal written final report to JPC with copies to the USOM and ICA/W. This report was published in Japanese by JPC and wide circulation was made through JPC as well as its regional centers. Since most participants returned to the same job or position they had before they left for training, they were expected to convey and disseminate new knowledge gained through training to their colleagues. Therefore,

numerous follow-up programs were arranged by JPC and the USOM in the form of lectures and discussion meetings held in various cities. In some cases, team members are still holding annual evaluation meetings of their field specialization. Since the USOM to Japan recognized the importance of follow-up meetings of the returned participants, the USOM gave positive aid both financially and technically to JPC in order to have effective programs. The total dollar amount obligated to the follow-up activities of the participant program was \$126,000 including printing of follow-up reports.

3. Long Term Trainees

In some area of the productivity program particular subjects required extended periods of training. In order to study more thoroughly and systematically such problems individuals were selected from Japanese Universities, Labor Unions, the Japanese Government or its agencies, private firms and organizations to be sent to the United States for a period of 3 to 12 months to study or get training intensively in subject fields. Total numbers of long term trainees and study fields for future fiscal years were proposed by JPC or other related agencies to the USOM. Upon the approval of the proposed programs, JPC and other agencies nominated long term trainees. These were screened by the USOM in cooperation with the agencies to determine their suitability as well as the importance and priority of their proposed study with respect to the productivity program as a whole. Participants

were selected on the basis of their future contribution to productivity in the field for which the long term training was sought. Therefore, agreement to remain in this field after returning from the training in the United States was a prerequisite for selection. Because of the importance of an adequate knowledge of English, all long term trainees were requested to take English Language Proficiency Tests to see if they met the minimum standards of English knowledge. The USOM gave each nominee "The American University Language Center English Usage Test," and also provided facilities to improve their English at the Japanese-American English Conversation Institute in Tokyo. All the expenses for this English training were borne by the USOM.

Most long term trainees attended training facilities or institutes developed by agencies of the United States Government under cooperative agreements. In other cases, ICA made arrangements with the State Government, private research institutions or universities for the trainees to be enrolled in regular courses or in special programs.

Interim Reports were to be submitted to ICA/W during the course of their study. Copies were sent to the USOM through ICA/W. All trainees were requested at the end of their program, to submit a written report of their training and findings together with resulting recommendations to ICA. They were also expected to share the fruits of their training experiences by giving lectures or by other methods

of follow-up activities. JPC and its agencies provided opportunities for this phase of the program and the follow-up activities by the long term trainees were usually reported to the USOM as well as ICA/W.

4. University Affiliation Program

Another element of the technical cooperation program was represented by arrangements to promote active participation in the productivity movement by the faculty and research staffs of Japanese Universities. Under these arrangements, selected Japanese universities worked with a counterpart university in the United States to increase productivity in general problem areas of the Japanese economy.

a. Waseda University Affiliation

Waseda University in Tokyo was affiliated with the University of Michigan in the field of industrial engineering and market research on April 5, 1956. Until the last participants from Waseda returned to Japan on December 31, 1960, 52 faculty members of Waseda University received training in the University of Michigan and a total of 39 University of Michigan faculty members provided technical advice and assistance at Waseda primarily in market research and industrial engineering fields. The Waseda University Program Committee, The University of Michigan Project Coordinator and resident advisors were in charge of selecting adequate candidates from the faculties to be exchanged. The USOM gave English Language Proficiency tests to the Waseda University faculty.

As a result of the effort of the returned participants and The University of Michigan resident advisors, Waseda University established an Institute for Research in Productivity. In the early days of the contract implementation, when the IRP and its staff was being developed, the contractor engaged directly in the operation of the IRP. Since early 1959, when the IRP was fully organized, the activities of IRP have been conducted by the local staff, and the contractor has acted primarily in an advisory capacity. The institute worked closely with Japanese industry and has undertaken research projects on behalf of private companies. Seminars, attended by top-management in Japanese industry, have been held in the fields of marketing, business and science forecasting, personnel testing and employee selection and placement, operation research, work measurement, and consumers opinion research survey. During the contract, 26 seminars were held and 3,000 representatives of some 470 companies participated.

Nature of United States Contribution to this Project

The total United States dollar contribution to the four year ICA/Waseda University/University of Michigan contract was \$775,625. Funding for this contract was completed in FY1959. This dollar cost was allocated for salaries and allowances, international travel and transportation and other direct costs for Michigan advisors, overhead and

office equipment for the University of Michigan Project coordinator, and U. S. dollar costs for participants from Waseda University studying in the United States.

Nature of Cooperating Country Contribution

From the beginning of this project through the end of the contract, Waseda University contributed the yen equivalent of \$307,000 to the project. Houses for the University of Michigan advisors, the yen costs of Michigan staff and Waseda University participants were covered by the yen contribution. Also LGP-30 computer and accessories and the building which houses the Institute for Research in Productivity were financed by Waseda University.

Concrete evidence of the satisfactory conclusion of this contract is shown by the following: (1) The Waseda University has been so pleased with the work of the IRP that it has planned to construct a larger building for the institute. It is particularly noteworthy that priority was given to providing new facilities requested by other departments of the University. (2) The University of Michigan has invited various professors from Waseda to lecture at The University of Michigan. (3) The University of Michigan has established a center for Japanese studies and is planning to earmark funds for fellowships and other grants for Waseda to attend the center. In return, Waseda will make arrangements for

research persons sent by Michigan to Waseda. The contract relationship between Waseda and Michigan served to cement a close affiliation between the two universities and the active working relationship between the two universities has continued long after the termination of the contract.

b. Hokkaido University Affiliation

The ICA University Affiliation program between Hokkaido University in Hokkaido, Japan, and the University of Massachusetts at Amherst, Massachusetts, was formally initiated by signing of contract on November 18, 1957, in the field of agriculture with major emphasis in the areas of food technology, poultry science and home economics. This four year ICA financed contract was terminated on August 31, 1961 when the last Hokkaido participant returned to Japan from the University of Massachusetts. During the program a total of 44 Hokkaido University staff members were sent to the University of Massachusetts and eight University of Massachusetts advisors were brought to Hokkaido University to provide technical advice and guidance in the field of agriculture mentioned above. The participants, faculty members of Hokkaido University, were selected by the University program committee, and the resident advisors from Massachusetts. The USOM gave the participants an English Proficiency test.

Nature of United States Contribution to This Project

The total United States dollar contribution for the four year ICA/Hokkaido University/University of Massachusetts contract was \$563,523. Funding for this contract was completed in U.S. FY 1959. These dollar costs were allocated for salaries and allowances, international travel and transportation and other direct costs for Massachusetts advisors and consultants, overhead and office equipment for the Massachusetts University Project coordinator and U. S. dollar costs for participants from Hokkaido University. For this contract, ICA contributed agricultural equipment for the Hokkaido University equivalent to \$151,701.

Nature of Cooperating Country Contribution

From the beginning of this project through the end of the contract, Hokkaido University (source of funds from the Ministry of Education) contributed the yen equivalent of \$233,000 for the local costs of the Massachusetts advisors who worked with the Hokkaido University and for the salaries and other yen costs of participants who studied at the University of Massachusetts. University of Hokkaido furnished housing for the resident advisors. The success of the program is illustrated by the following: (1) Voluntary cooperation between elements of the agricultural community have developed. National and local government agencies (such as the Ministry of Education which

is the supreme ministry for all national universities including the Hokkaido University), the Ministry of Agriculture, and Hokkaido Prefectural Government have coordinated their work with agricultural producers and processors. (2) Hokkaido faculty members of the Soils and Agronomy Department have carried out research in cooperation with the Ministry of Agriculture and the Hokkaido Prefectural Government, utilizing the experiment station facilities of these agencies. (3) Agricultural extension personnel of the Hokkaido Prefectural Government received technical background training at Hokkaido University and at the experimental stations operated by the national Ministry of Agriculture. (4) Private agricultural industry gave full support to the Hokkaido program, utilizing the facilities of the University, supplying financial assistance and making its high level research personnel available to the University. (5) Through the efforts of the Massachusetts consultants, modern research methods and techniques were initiated and an awareness on the part of the University of the need for modern research, production and harvesting methods was recognized. The faculty members of the Agriculture Economics and Marketing Department of the Hokkaido University College of Agriculture are carrying on the program on their own.

c. Keio-Harvard Business Administration

Keio-Gijuku University in Tokyo did not have a contract under

the ICA University affiliation program with ICA or with Harvard University. However, ICA agreed to give financial assistance to help establish the Keio Business School in Japan. The project involved the sending of Keio University faculty members to the United States to participate in the Harvard Business School Teacher Training Program and also the assignment of a Harvard faculty member to Keio University for a period of one year to provide technical advice and guidance in the field of business administration.

From the beginning of the program in 1957 to the termination of the project in 1960 a total of 13 Keio University faculty members were sent to the Harvard Business School.

The program committee of Keio University nominated participants for the program, and the USOM gave English Proficiency tests and made final selections.

Nature of the United States Contribution

From the beginning of this project in 1957 through FY 1960, the year in which ICA contribution to the project ended, the United States dollar contributions totalled \$94,000. These dollar costs were allocated for salaries, international travel costs for the American consultant and dollar costs for the participants. A total of \$16,000 was furnished by Keio University for the salaries of participants in the United States, and yen costs for the American consultant.

The program resulted in the following achievements:

(1) In 1957 an Undergraduate School of Commerce was established in Keio University based in part on practices followed at the Harvard Business School and plans have been developed for an establishment of a Graduate School of Business Administration. (2) From 1957 to 1961, Keio-Harvard Business School Committees were organized to work toward the establishment of the graduate school. With the cooperation of Japanese industry, the returned participants from Harvard and the U. S. consultants from Harvard Business School in Keio, the Undergraduate School of Keio Business Administration was established in 1961. (3) In cooperation with the Harvard Graduate School of Business Administration three consultants were sent to Japan each year to conduct Short-Term Top Management Seminars for Japanese Top Business Leaders. By December 1963, a total of nine top management seminars had been held in Japan and more than 600 top leaders took part in the seminars. Keio University also conducted two week seminars for the middle and the junior management leaders. Dollar costs of these seminars have been paid through contributions from the American business community while the yen costs have been paid by the Japanese business community. (4) Keio University plans to open a Keio Graduate School for Business

Administration. The Japanese business community has contributed funds.

5. Consultant Program

A major element of the technical cooperation program was the bringing of experts to Japan to provide on-the-spot consultation and advice to Japanese leaders in various sectors of the economy. This consultant program consisted of two general types of projects: (1) seminar projects, under which a team of three to five seminar leaders conducted intensive lecture and discussion programs in key locations in Japan; (2) technical or specialized projects, involving extended tours and consultations by individual specialists. Major seminars were designed to bring recognized authorities in their fields in the United States into close contact with leading Japanese executives. Seminars usually were conducted under the case method, and case materials were supplied to seminar participants in advance of the meetings. Basic lectures by each of the seminar leaders were followed by a series of meetings and discussions, especially adapted to current and long range problems in the Japanese business and industrial community. The seminars were highly successful in influencing leading Japanese top management and labor leaders to review and modify traditional approaches to basic problems in their respective fields.

Technical consultation by individual specialists was arranged by the USOM at the request of JPC to help overcome low productivity, either in particular industries or in problem areas cutting across

many industries. Individual consultants remained in Japan for periods of three to six months, during which they visited industrial plants, productivity centers, and other places related to their project. They also conducted conferences, short seminars, and discussion meetings with interested groups.

From the beginning to the termination of the projects, a total of 157 experts were brought to Japan for these programs. The following tables give the number of consultants to Japan by field of activity and programming year.

<u>Field of Activity</u>	<u>Year Programmed</u>						<u>Total</u>
	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	
Agricultural Productivity	-	-	2	3	2	-	7
Japan Productivity Center	13	13	11	19	17	14	87
Japan Civil Aviation Bureau	-	2	-	-	-	-	2
Japan Trade Unions	-	-	4	2	4	3	13
Hokkaido-Massachusetts University Affiliation	-	3	-	2	-	3	8
Keio-Harvard Business Administration	-	-	-	-	1	-	1
Waseda-University of Michigan Affiliation	-	4	8	13	10	4	39
Total	13	22	25	39	34	24	157

6. Technical Commodity Aid Program

In each of the activity fields, ICA supplied technical aid or commodity items essential to the spread of productivity information and the development of a strong domestic productivity program. Although most of these have been small in terms of dollar costs, technical aid items have played a significant part in attaining program objectives.

For the strengthening of the productivity program as a whole, JPC was provided with a film library and the necessary projection equipment. In the industry field, books, digests, periodicals and other publications in the field of productivity were furnished to JPC and its regional centers. ICA supplied the Ministry of Agriculture with examples of American modern electrical household equipment for its Home Economic Research Hall. Books and translations of materials were also given to productivity centers and trade unions for distribution. In the civil aviation field, the USOM supplied a portion of the training facilities and equipment for the new aeronautical training center at the Tokyo International Airport.

The largest commodity item supplied by ICA in Japan was represented by importations from the United States of surplus grassland seeds, in amounts totalling some \$247,000. These seeds were imported and used over a two year period for the establishment

throughout Japan of the 25,000 grassland demonstration plots under the agricultural productivity program. As a part of the Hokkaido-Massachusetts University Contract Program, ICA furnished demonstration equipment and related items for the promotion of upland agriculture. The following gives itemized U. S. dollar contribution for the technical aid program by programming years.

<u>Field and Item of T.C. Aid</u>	Programmed Years						Total	
	(Dollar Figures in Thousands)							
	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	
Agriculture:								
Grassland Development			97	100	50			247
Home Econ. Training Center			3					3
Books			1	1				2
Films				1				1
Industry:								
Projectors	4	6	7					17
Films	15	6	22	5			3	51
Books	9	16	1	11	2	3		42
Exhibition	9							9
CAA Technical Aid			36		5			41
Labor:								
Projector			2					2
Films			3					3
Total	37	28	172	118	57	3	3	418

C. Financing of the Project

The costs of the productivity program were met by financial contributions from both the United States and Japan. In general, the dollar costs of technical cooperation, including travel and living costs of participants while in the United States, the costs of U. S. technicians, and the fees of consultants to Japan were met by the International Cooperation Administration. ICA contribution also covered the operating expenses of the USOM in Japan, technical aid items, and certain categories of international travel cost such as for trade union members, school teachers, and university professors associated with the program.

The yen costs of the program were met by private and governmental sources in Japan. Approximately three-fourth of JPC's revenues were provided by private business sources, including general contributions and fees from members and sponsors, and special fees from various services rendered to firms and industries by the Japanese Productivity Center. Total costs to the Japanese of the productivity program include the major portion of international travel cost for participants, living costs and travel expenses of most U. S. consultants in Japan, the salaries of all participants while engaged in overseas study activities, and the costs of administration and domestic operations of the Japan Productivity Center. Also included are the costs of other Japanese agencies concerned with the program's administration.

Total contributions of the United States to the productivity program in Japan for U. S. fiscal years 1955 through 1961 were approximately \$12,000,000. Of this amount 10% was used to cover the costs of the

Agricultural Program, 50% for Industry, 9% for Civil Aviation, 15% for the Labor Program, 2% for the Peaceful Uses of Atomic Energy Program and 6% for the USOM operational and administrative costs.

During the same period contributions from Japanese private and government sources totalled some \$19,000,000. Of this amount, 37% was from the Japanese Government which mainly supported 50% of international travel costs, JPC's domestic activity and other related administrative costs. Sixty-three per cent of the total Japanese contributions were from private sources and covered Japanese yen expenses needed for the participant program as well as consultant program. These private contributions became the driving force for the expansion of the Japan Productivity Center. The following gives a summary of the ICA and Japanese Financing of the Productivity Program.

USOM and Japanese Financial Support of
the Productivity Program

(Expressed in thousands of U.S. dollars)

As of June 30, 1961

United States fiscal year ending June 30	Total	USOM Contribution (Program _{1/} Funds) <u>1/</u>	Japanese Yen Contribution _{2/} (Converted to U.S. \$)		
			Total	Government Subsidy	Private Contribution <u>3/</u>
1955	1,106	463	643	145	498
1956	2,166	948	1,218	278	940
1957	4,400	2,297	2,103	851	1,252
1958	5,998	2,504	3,494	1,145	2,349
1959	6,239	2,491	3,748	1,270	2,478
1960	5,548	1,982	3,566	1,249	2,317
1961	5,478	1,295	4,183	1,580	2,603
Total	<u>30,935</u>	<u>11,980</u>	<u>18,955</u>	<u>6,518</u>	<u>12,437</u>

1/ Includes cost of resident USOM staff, American and Japanese, assigned to program activities (i.e. "Technical Support Funds").

2/ One dollar = 360 yen.

3/ Private contributions include fees paid to the Japanese Productivity Center by private firms for the sending of participants to the United States, salaries of participants during the period of training, general contributions by private organizations to the JPC budget, and special fees for attendance at seminars, services of consultants, and various types of technical assistance.

Appendix B

THE ELITE OF JAPAN

Japanese national leaders, top policy makers at the national level and at the regional levels, were included in the productivity training program. Of the 2296 individuals in this group of very important people, 75 per cent were leading administrators or executives of industrial and commercial firms. These men, either themselves or through their immediate associates, achieved Japan's economic renaissance.

That they chose to undertake a reexamination of traditional practice in Japanese business management, a reorientation of their own business philosophy, endows the productivity training program with an unprecedented importance, and attests to the impressive elan and adaptability of Japan's leaders. Given the initial idea, assistance in establishing the pattern of training, and the contacts in the United States, the Japanese themselves carried out the program. Once successfully launched, the productivity program was faced with the problem of such an enthusiastic response that only a small proportion of those applying or recommended for training could be accepted.

The very top leadership, policy makers at the national level, constituted 2.8 per cent of all participants, and were represented by 22 individuals or 3.7 per cent of the sample. Their specific occupations are listed to give an impression of the range and significance of their fields of influence.

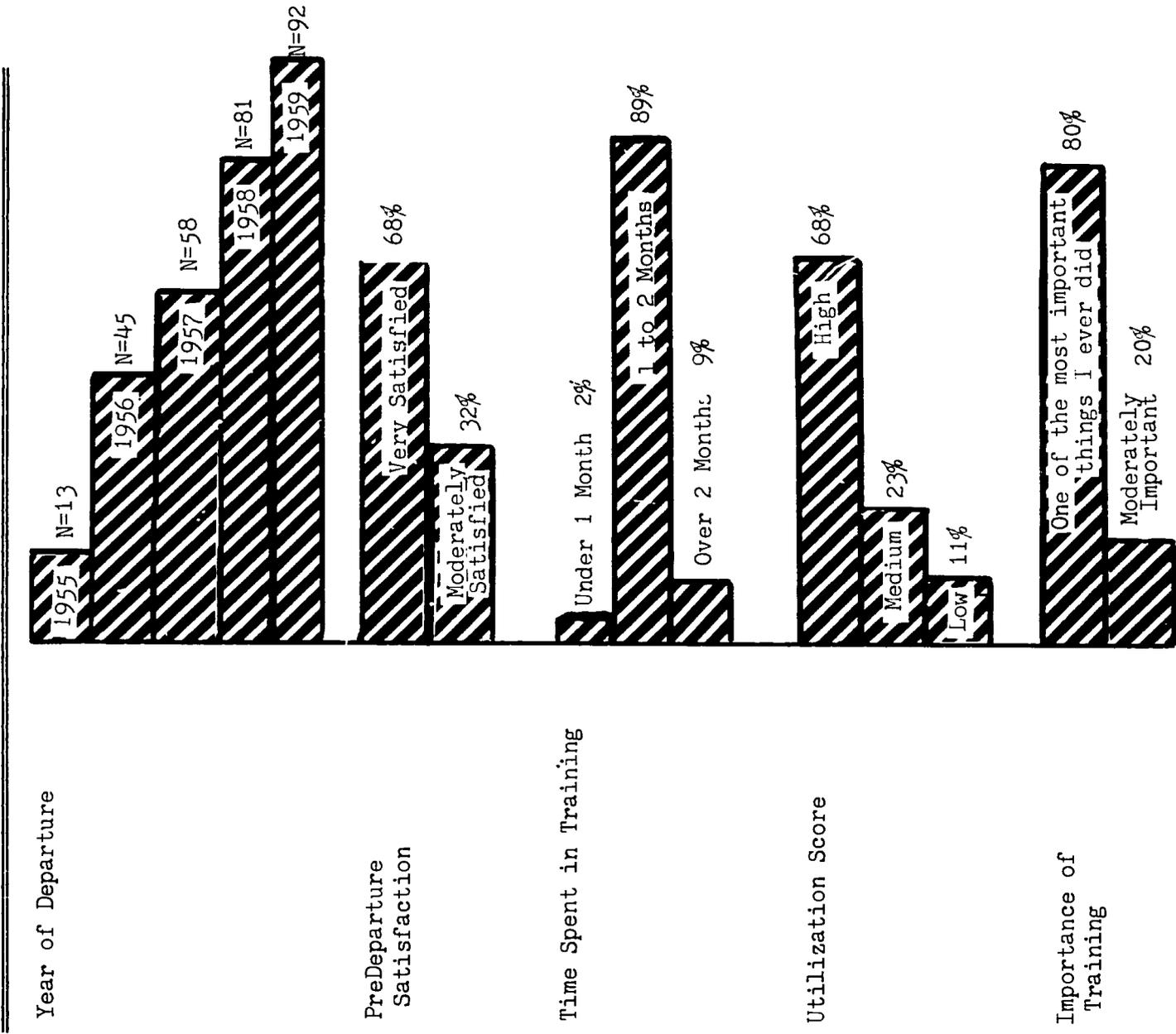
Table 24

FIELDS OF ECONOMIC ACTIVITY OF THE TOP POLICY
MAKERS, EXECUTIVES AND ADMINISTRATORS AT THE
NATIONAL LEVEL OR NATIONAL IMPACT

FIELD	NUMBER
Steel Making and Fabricating	3
National Labor Union	4
Industrial Banking	2
Chemicals and Synthetic Plastics	1
Power Generation, Hydro. and Nuclear	4
National Legislature	3
Transport and Warehousing	2
Government and Administration	1
Electrical Machinery Manufacturing	1
National University	1
Total	<u>22</u>

Table 25

CONSOLIDATED DATA ON POLICY MAKERS, NATIONAL LEVEL
AND NON NATIONAL LEVEL, EXECUTIVES AND ADMINISTRATORS
(N=289)



Appendix C

THE JAPANESE LABOR SYSTEM

There are two patterns which, until recently, characterized Japanese conditions of employment: (a) The life-time employment and the Nenko-Joretsu wage system, and (b) the labor boss system. The latter derives much of its stability from the former.

a. The lifetime employment and Nenko-Joretsu wage system is a total commitment concept. Once the employee is hired, he continues to work until he retires at 55 and there are no lay-offs during recessions or fluctuations in the company operations. Starting salary is based on education and age and the regular annual raise is made without any direct connection to actual job title. Usually promotions and raises are based on academic background and length of employment, irrespective of position. In addition to the regular monthly wage or salary there are biannual bonuses each amounting to a month's salary and on retirement an allowance is made of two and a half year's salary in one lump sum.

Under these conditions there is a permanent labor force and fixed labor costs for a company. As work load increases workers put in longer hours, because there is a generally accepted sense of the job to be done. Loyalty and responsibility are high but there is relatively little incentive to increase productivity.

b. The labor boss system provides companies with an elasticity in their labor requirements, with the boss undertaking to provide

security to the labor force under contract to him. The boss can supply a group of workers on short notice. He acts as a permanent middle man and maintains a regular labor force of various skills at approximately a permanent salary level.

Current conditions in the Japanese labor market have changed greatly, even since ten years ago. In skilled jobs and professional employment there are acute shortages. This has led to the partial abandonment of the lifetime employment and *Nenko-Joretsu* wage system in favor of ability being rewarded more than seniority. There has also developed a considerable amount of labor scouting and pirating of skilled technicians.

Appendix D

TABLES ON UTILIZATION

Table 26

UTILIZATION SCORES OF PARTICIPANTS OF DIFFERENT
OCCUPATIONAL LEVELS AT THE TIME OF INTERVIEW
(in percentages)

Occupational Level	UTILIZATION			(N)
	High	Medium	Low	
Policy Makers, Executives and Administrators	66	23	11	(289)
Subordinate Management	61	28	11	(235)
Engineers and Professionals	86	6	8	(62)
Others	37	32	31	<u>(19)</u> (605)

Table 27

UTILIZATION SCORES OF PARTICIPANTS BY
AGE AT THE TIME OF DEPARTURE
(in percentages)

Age Groups	UTILIZATION			(N)
	High	Medium	Low	
Under 30 years	61	30	9	(23)
30 to 39 years	54	27	19	(140)
40 to 49 years	73	19	8	(233)
Over 50 years	64	21	15	<u>(209)</u>
				(605)

Table 28

UTILIZATION SCORES OF THE PARTICIPANTS
BY EDUCATIONAL LEVEL
(in percentages)

Educational Level	UTILIZATION			(N)
	High	Medium	Low	
No University degree	62	21	17	(159)
Bachelor's degree	67	25	8	(352)
Graduate Degrees	65	21	14	<u>(94)</u>
				(605)

Table 29

UTILIZATION SCORES OF PARTICIPANTS BY
THE LENGTH OF THEIR PROGRAM
(in percentages)

Length of Programs	UTILIZATION			(N)
	High	Medium	Low	
Less than 1 month	37	26	37	(16)
1 to 2 months	64	24	12	(448)
2 to 4 months	72	20	8	(86)
Over 4 months (up to 2 years)	73	22	5	<u>(55)</u>
				(605)

Table 30

UTILIZATION SCORES OF PARTICIPANTS WHO
WORKED WITH OTHERS TRAINED ABROAD
(in percentages)

	UTILIZATION			(N)
	High	Medium	Low	
One or more coworkers trained abroad	73	17	10	(204)
Supervisor trained abroad	64	29	7	(210)
No one in job situation trained abroad	59	25	16	<u>(181)</u>
				(605)

Table 31

UTILIZATION SCORES OF PARTICIPANTS WHO
HAD CONTACT WITH AMERICAN TECHNICIANS
(in percentages)

Subsequent Contact with Technicians	UTILIZATION			(N)
	High	Medium	Low	
Had some contact	78.3	15.9	5.8	(59)
Had no contact	63.7	24.5	11.8	(535)
Not ascertained				<u>(6)</u>
				(605)

Appendix E

THE FOLLOW-UP PROGRAM IN JAPAN

In recent years there has been increasing attention to the problem of "follow-up" in connection with the participant training program. However, during the last years that United States technical assistance was operating in Japan the attention of the Mission was directed to the importance attached to "follow-up" by Washington.

Two comments on the situation in Japan are appropriate and lead to recommendations which may be pertinent to other Missions. The development of the technique of productivity study teams in Japan, as has already been described, included an intensive period of post-training reevaluation for the team members. The teams prepared written reports and planned the adaptation of American productivity techniques and philosophy to the Japanese context. They engaged in a number of activities in conjunction with the public education programs of the JPC which, in addition to their value in introducing productivity into the public consciousness and acceptance, served also to reinforce in the participants their own sense of identification with the movement. Associations of former study team members were organized and held periodic meetings. A comprehensive directory of study team members and other participants was developed, and an information bulletin was distributed which served to keep them in touch with each other and abreast of new developments in the field of productivity.

The central base for this activity was, of course, the Japan Productivity Center. Although the JPC was Japanese staffed and supported, credit was always given to the United States contribution and the role it played in the Japanese productivity program.

Reports prepared by the study teams showed clear evidence of the deep impression that contact with American experts, managers, engineers, etc. had produced. The glimpses of American life, the hospitality, cooperation, and vitality dispelled many illusions and instilled enthusiasm in the team members. The trips developed an atmosphere of friendliness and appreciation valuable in promoting good relationships between the two countries.