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BUSINESS HISTORY IN JAPAN:
A REPORT

By
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BUSINESS HISTORY IN JAPAN: A REPORT

Dwijendra Tripathi*

A few weeks ago I returned after attending what has come to be known in Japan and outside as the Fuji Conference on Business History. The Business History Society of Japan has been holding this event for the last eight years in a secluded but well equipped and well furnished conference hall situated at the foot of the sacred Fuji Mountains miles away from the humdrum of the city life. The avowed purpose of the Conference is to promote the study of the subject in Japan and provide a forum for the Japanese and non-Japanese scholars to interact. This year, in addition to 6 Business Historians from other countries - one each from England, France, Germany, and India and two from the United States - 14 Japanese scholars participated in the deliberations. In the interest of fruitful and intensive scholarly exchange, the number of invitees is kept deliberately small. The theme of discussion this year was "Business climate and Industrialization" with special reference to the textile industry.

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My participation in the conference gave me a first hand opportunity to familiarize myself with the state of Business History in Japan. And what I saw and learnt was so impressive that I decided to report it to the historians and businessmen in my country so that we could evaluate our own progress in the field. It must be mentioned at the outset that Business History is a relatively young branch of historical discipline. For, even though the concept was not quite unknown earlier, it was only after the Harvard Business School established courses in the subject in the early years of the 1920's, that the need to investigate historically into business operations gained some momentum. For well over three decades, however, research in and teaching of Business History remained confined to a few business schools in the United States. Historians in other countries or history departments in the American schools, for some reason or the other, evinced very little interest in the subject. The upsurge in business education after the Second World War gave a new impetus to the study of Business History in the United States. The beginning and growth of historical enquiry into business in several other countries including Japan is also a post-war phenomenon.

Though the roots of Japanese interest in Business History can be traced back to the early 1950's, serious efforts to promote research in and teaching of the subject were initiated only in the early years of the 1960's by a group of younger scholars who had returned to the country after

completing their higher education in the United States. By the middle of the 1960's the number of scholars working in the field increased to such an extent that they decided to establish the Business History Society of Japan and start a quarterly journal, the Japanese Business History Review. The Society in due course became the focal point of promotional efforts to augment interest in Business History and the Review earned the status of being the most prestigious instrument to disseminate quality research. Today the Society can boast of a membership of more than 650 and the Review is fed almost entirely through the output of Japanese scholars. The growth of teaching in Business History has kept pace with the growth of research. For, all major universities in Japan provide for the study of the subject in the departments of history, economics, or commerce.

It is somewhat paradoxical that the progress of Business History in Japan has been much more significant than that of business education. There is a widespread belief in Japan that managerial capabilities can be developed on the job rather than through educational experience. What the corporations, therefore, look for in a potential employee is not a professional degree but potential for professional growth in the field. More often than not, a bright young graduate with degrees in liberal arts or sciences would be preferred to one with a degree in business administration. It is not surprising, under these conditions, that business education has made very little progress in Japan. The Keio Business School, founded in 1961 a few months before the establishment of the first Indian Institute of Management, still remains

virtually the only institution imparting business education at the post graduate level and the acceptability of its products in Japan is nowhere close to that of the IIM graduates in India. A well-informed retired executive of the Toyobo Company, himself a Harvard MBA, went to the extent of predicting that business education would never take roots in the Japanese soil. The Toyobo is one of the oldest and largest textile producers in the country.

Whatever the validity of this prediction, the fact remains that unlike in the United States and many other countries, the growth of Business History in Japan has been largely unrelated to the progress of business education. The Japanese experience is different from American experience in one more significant respect. It is often surmised that the rise of Business History in the United States, or for that matter a host of other subdivisions of historical discipline, was due to the relative brevity of America's historical span. With a history of barely three centuries, it was natural for the American historians to seek to expand the horizons of their explorable past and in that process bring under the rubric of historical studies such segments of national experience which, under different conditions, would have received little attention from them. No such compulsion existed in Japan where a long and eventful past provided little scope for the narrow and limited foci to gain recognition as discrete branches of historical learning.

And yet there is no question that Business History developed in Japan under the direct academic impact of the United States. Not only had the

leaders received their training in America, but also they, like the American writers till very recently, concentrated almost exclusively on firm histories. Even today the Japanese identify Business History with firm history. The importance of firm history for a business historian is undeniable, but Business History, in a proper sense, must encompass much more than this. Arthur H. Cole rightly suggested several years ago that the subject should transcend the quantifiable economic elements and embrace the world of ideas and instruments which result in an imperceptible process of interaction between the business and the society at large. The historian of business must investigate into such aspects as business thinking, business education, and business behaviour. In other words the proper subject matter of business history should be business system rather than business enterprise. The Japanese business historian is still far behind this goal.

The Japanese emphasis on firm history, however, conforms to the American pattern. For well over three decades after the subject made its debut, the enterprise history remained the sole concern of the American business historians. It was only in the late 1950's that scholars like Alfred P. Chandler began to probe into the larger aspects of the business system which culminated recently in the publication of his seminal and epoch-making work, The Visible Hand, bringing to its author the distinction of being the first business historian to win the prestigious **Pulitzer** Prize in History. It is expected that now that the Japanese historians have produced a sizeable number of firm histories, they would, sooner than later, undertake the task of integrating and synthesizing their findings and analysing business as a social institution affected by and affecting social environment.

It will be instructive to review briefly the progress of Business History in India in the context of what happened in Japan. The study of the subject began in India almost at the same time when it began in Japan. As early as 1964 the Indian Institute of Management, Ahmedabad decided to promote research and teaching of Business History. Since then, even though no other academic institution has formally included Business History as a part of its curriculum, sufficient academic interest in the subject has been generated. The Indian Historical Records commission during the last few years has organized all India discussions on the problems and sources of Business History. A few Ph.D theses on subjects pertaining to Business History have been completed and several others are in progress in many Indian schools including the prestigious Jawaharlal Nehru University. Papers on topics related to business institutions and instrumentalities have been published in professional journals or presented to professional conferences, and a number of company histories have come out in recent years. There is no doubt that with the gradual decline of political history and growing interest in the socio-economic developments, the Indian historical profession is now more aware than ever before of the need to probe historically into Indian business dynamics.

This awareness notwithstanding, the progress in India is much less impressive than in our sister Asian country largely because there has been no concomitant growth of interest in the subject in the Indian business world. It is no exaggeration to say that the Indian business has been, by and large, less than enthusiastic about subjecting its past to historical

scrutiny. Perhaps suspicious of uncertain and unpredictable governmental policies, it has given little support and less encouragement to the scholar who is very often denied even access to crucial sources of data. And initiative for historical evaluation of its performance on the part of a business enterprise is rare indeed. Exceptions, of course, there are, but they only underscore the general situation.

I am not suggesting that the Japanese business always welcomes the historian with open arms and the Japanese scholars do not encounter difficulties in gaining access to business records. But, by and large, the attitude of the Japanese business world to Business History as a discipline is much more positive. My discussions with Japanese scholars and business executives left me with no doubt that these two groups regard themselves as partners in a common objective. It is significant that the Fuji Conference series, involving a large sum of money, has been possible through a generous grant from the Taniguchi Foundation, set up by a businessman. The Foundation supports not only the participation of delegates, both Japanese and foreign, but also the publication of the proceedings. The head of the Foundation, a retired chairman of a well known textile company, in his farewell address to the delegates very rightly observed, that a historical understanding of business was as important to the businessman as to the scholar and the wider public.

Our business leaders would perhaps share this feeling. For, the only way to comprehend the business dynamics of a society is to have a longitudinal view and Business History provides precisely this. If we are not in a position

to generalize about the business behaviour in India, if we have not been able to develop convincing theories and constructs about the business dynamics in India, and if we very often seek to explain or respond to business situations with the aid of borrowed concepts, developed to meet the needs of societies very much different from ours, it is because we still do not have a body of empirical literature which may provide us insight into the nature of our behaviour pattern and business institutions. And no effort to produce a body of such literature would succeed without the kind of partnership between the historical scholarship and the business world that exists in Japan.