

THE IMAGE OF WORK AND THE IDEAL LEADERSHIP IN *SHUJŪ KOKOROEGUSA*, “THE MANUAL OF MASTER AND SERVANT”

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Abstract

Deeply rooted in the synthesis of Confucian, Shinto and Buddhist ideas that characterized the 18th century Japanese philosophy called Shingaku (“education of the heart”), Japanese management is an internalized activity whose principles are seldom explicitly expressed. As a result, Japanese managers often find themselves in a difficult position when pressed for expressing their principles explicitly.

Our research discusses the characteristics of Japanese management and highlights the religious influences and tradition that shape the behavioral and social-institutional context of Japanese leadership and management. In doing so, the research attempts to shed light on how organizations can enhance their cultural intelligence, leadership styles, management training, and corporate culture more especially when dealing with Japanese companies and employees. The research also delves into the concepts of work/labor, lifetime training, ethical leadership, and corporate social responsibility.

Despite being hundreds of years old, the principles written in the “The Handbook of Master and Employee” are worth looking into due to their timeliness and relevance in the age of globalization, digitization, increasing consumer pragmatism, and resilience amidst global pandemics.

Keywords: economic thought, leadership, ethics, history, Japan

JEL Classification: M10, Z10

I. Introduction

It seems that the problem of *karōshi*, or death from overwork, is a Japanese characteristic. The cause for this phenomenon could be found in a broad interpretation or a dis-function of the *Shingaku* popular philosophy of the Edo city dwellers. *Shingaku* (or “education of the heart” in a literal translation) was the specific Japanese Shintoist

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religion to which Buddhist, Confucian and Taoist influences were added. For the Japanese managers, management is an internalized activity and they often find themselves in a difficult position when pressed for expressing their principles explicitly. Although it is even good intentions that can lead to confrontation, it is a pity that the Japanese themselves did not make an effort to explain themselves positively and scholarly to foreigners.

Incidentally, we should note that, considering their geographical proximity Japan, China and Korea are culturally close. Due to the great influence of Confucianism in the area, warriors were the most highly revered while merchants, because they did not produce material goods yet had a life of profit, were at the bottom of the social strata. Japan had the same thinking until the beginning of the Edo period (1603-1868), and in this aspect resembles China and Korea.

Regarding this matter, Suzuki Shōsan (1579-1655), in his book *Banmin tokuyō* (“Right Action for All”), said that if merchants did their duty as merchants correctly, commerce would be just like a Buddhist practice, and he did not consider that it should be put at the bottom of society. It is generally accepted that Baigan Ishida (1685-1744) took these views as a basis for his elaboration of merchant ethics⁵.

Afterwards, many thinkers of the city merchants’ class continued to develop this kind of study. The idea that by leading a correct life in this mundane world, one can attain similar results to a Buddhist practice influenced greatly the merchant class, starting with the merchants of Omi⁶, and laid the foundations for the commercial ethics of Japan until the beginning of the Shōwa era (1926-1989)⁷.

Shujū Kokoroegusa, or “The Handbook of Master and Employee”, can be considered the introductory book for this kind of ethics. While Baigan Ishida had placed the commercial transactions of the master at the center, *Shujū Kokoroegusa* places at the center what we call leadership in modern management theory. Here, the main points are the debt of gratitude and the trust-based human relationships formed between master and employees as a result of the gratitude. This way of thinking is opposed to the traditional Western type of thinking such as X theory, legal formal theory and the (jurisdictional) functional theories. If we are to assimilate it to something, it is closer to the acceptance theory of authority⁸ and the servant leadership¹⁹ theory (abbreviated SL from now on).

To begin with, the thinking concerning private property in the economic activity in Japan differs widely from the traditional European one. The cause lies in the strength of the family business thinking, which is viewed in Japan as something inherited from one’s ancestors and which must be handed over to one’s descendants, and moreover, due to the fact that commercial activities were viewed primarily as a public service. It seems that

⁵ Ishida, Baigan, (1839). *Dialogues of City and Country: Tohi Mondō*, Osaka Kyoiku Toshō.

⁶ Watsuji, Tetsuro, (1965). *Rinrigaku (Ethics)*, 2nd Edition, Tokyo; Iwanami, Shoten; Hara, Shiro, 1965. *Meiji Zenki Kin’yushi (The Financial World of Early Meiji Era)*, Toyokeizai Shinpōsha, Tokyo.

⁷ Tsunehiko, Yui, (2007). *Toi Mondō – Keiei no michi to kokoro* (City and Country Dialogues – the Way and Heart of Management), Nikkei Shinbunsha, Tokyo.

⁸ Barnard, Chester Irving, 1938. *The functions of the executive*, Harvard University Press.

⁹ Greenleaf, Robert K., (2002). *Servant Leadership: A Journey into the Nature of Legitimate Power and Greatness*, 25th anniversary edition. Paulist Press.

this kind of thinking has common points with the cultural area of rice cultivating peoples, with its strong and weak points. It takes a lot of work and time to make the rice paddies, and a huge investment of work to continue to use them, because an interruption of cultivation for several years damages the paddies. That is to say, because the ancestors worked hard, the present generation can cultivate rice without so much effort and this thinking expresses the gratitude towards them. That is, trade should not be done solely for personal profit, but also for the community, and here we can see the great influence of Suzuki Shōsan's thinking. This is why we think it was difficult for a theory of delegation of authority to appear in Japan.

However, after the Meiji Restoration and together with the spread of social advocacy and the establishment of modern property rights based on the Civil Code, the perception on company ownership which was the premise of *Shingaku* also changed. Furthermore, the GHQ (General Headquarters, the Supreme Commander for the Allied Powers) that controlled Japan immediately after World War II banned¹¹ the traditional moral training based on an erroneous interpretation of *Shingaku* as totalitarianism, and thus the number of commercial schools that taught *Shingaku* decreased. After the period of rapid economic growth, the perspective that considers profit maximization as a normal thing became widespread. Moreover, in the period of economic slump, the Japanese type of management declared its demise and at the same time, the management based on an awareness of *Shingaku* also declined.

What we call *Shingaku* comprises, however, of many elements such as the writings of *gesaku* authors who borrowed from previous thinkers and associated their names unduly with *Shingaku*.

Among them, "The Handbook of Master and Employee" had fairly large reprinted versions and is one of great interest. This book was written by condensing the traditional ethics of Japan, and by comparing with various theories used in management science, it discusses the relation between employers and managers and employees.

II. Regarding "Master and Helpmate"

II.1. Position in psychology

In "*Banmin tokuyō*" ("Right Action for All")¹² by Suzuki Shōsan, the role of the social status of samurai, farmers and artisans is discussed. The study on the ethics of commerce specific to Japan began from the point of the importance of the duties of merchants, followed by the development of Baigan Ishida in "*Tohimondou*"¹³. He and his disciples called this *Sekimon Shingaku*. From the experience of working as a merchant, Baigan Ishida regarded the essence of commerce as a broker of exchange, insisted that its importance is not inferior to other positions, and attracted the support of the merchants.

¹¹ GHQ, (1945), 4th Directive. Article of suspending the teaching of ethics, Japanese history and geography. https://www.mext.go.jp/b_menu/hakusho/html/others/detail/1318255.htm (Accessed 20.07.2020).

¹² Suzuki Shōsan (1661), *Banmin tokuyō* ("Right Action for All"), translated by Kato Michiko, "Suzuki Shōsan works I," 2015, Chuo Koron Shinsha Co., Ltd.

¹³ Morita, Yoshio, (1991), *To be thrift and peaceful home: The origin of the merchant road that Umeda Ishida sought*, Kawade Press.

After the theory of Baigan Ishida, the commercial ethics were established by the townspeople thinkers.

Jufukuken Shinkyō, the author of “Master and Employee”, is also one of the townspeople's thinkers. This book does not have direct quotations from Baigan Ishida and his subsequent disciples, but was influenced greatly by the ideology.

II.2. Personalities and historical background

According to the print of the original book, the author lived in Edo, Asakusa area, but his real name and career are not known. However, because the place, names, and dialects of the Kansai region come out many times and especially because the story of an apprentice from Oomi province¹⁴ comes out with the author having experienced working in the Oomi merchant from the vicinity of Nagahama, it is possible that he wrote this book after he retired. In addition to this, he also published “*Shingakushushindowa*” and “*Nichiyosinpo*” under the name of *Jufukuken Shinkyō*. These two books use a somehow stiff writing and have a slightly school-like atmosphere to them.

On the other hand, “Master and Employee” is written in a colloquial style and consists of five volumes written between 1823 and 1846, but they are incomplete. The first edition was published in the era when the townspeople's culture called *Kasei-Culture*¹⁵ flourished, and ludicrous stories like those on the cover were preferred. “Master and Employee” is closer to the content that also serves as entertainment rather than a professional book of psychology¹⁶ with historical background. In particular, it was published in the latter half of the year when it was revived from the great Tenpo famine. It was scheduled to continue after this, and this was mentioned as a notice in the text, but the publication stopped after volume five.

After the Meiji Restoration, the book was reprinted, showing it was also quite popular at the time.

II.3. Expected readers

In the period when this book was published, many townspeople and scholars published essays with many morals and teachings. “Master and Employee” is an example of this type of publishing.

“Master and Employee” is an introductory book about the treatment of subordinates (family members or subordinates of the branch families or family members of the patriarchs), aimed at readers who are planning to take over the family trade (the head of the family, those conducting the business, or those who are responsible for national affairs). In this paper, the master-employee relationship is not distinguished by profession, because it is explained by quoting¹⁷ the master's knowledge based on what

¹⁴ An apprentice is defined as somebody who does not have a position and works in the house from the age of approximately 10 years old.

¹⁵ The yellow cover books (*Kibyōshi-mono*) were like fantasy novels with elements of political criticism and parody.

¹⁶ The great famine from 1833-36, caused by abnormally low temperatures, killed 300,000 to 500,000 people out of Japan's population estimated at about 40 million at that time.

¹⁷ Biography about a war hero, that mostly took place in Japan.

was learned from capable generals of history. In addition, the target readers are not only the master, but also the following masters, and the person who plans to take over the house or who has just become a clerk¹⁸, and it also includes a person who plans to have a subordinate in the future.

The style is written in a very plain and conversational method compared to those written by other townspeople. The content is more enjoyable to read than a collection of lessons, and the degree of basic learning ability taught at temple elementary schools is enough to understand its contents.

III. Labor view

III.1. Labor = Training and circular hours

The most important thing in managing employees is the view of labor. The view of labor varies by region, religion, and era. It is because the management method is very different depending on whether or not labor is viewed as a hard work in giving instructions.

As mentioned above, in the psychology after Baigan Ishida, the view of labor is the same as the Buddhist ascetic practices according to the duty of the profession, and “Master and Employee” is not different in this aspect.

“Whatever you do, do what you can as a person and do your best in the family business. If you have a hard time in the family business and you stay up late at night, you may not be able to stand up in the morning or take a nap, but you should understand that it is useless. People who want to live and prosper should work day and night without sleeping. A good Samurai, a good Monk, a doctor, a Confucian, a peasant, townspeople must be trained day and night to be a good person.” (Volume 5)

Labor, as seen in this sentence, is basically a painful assumption to avoid. It is said that labor is an ascetic practice that must be fulfilled in each profession. This practice has a circular concept of time in that it seeks happiness in the afterlife, not the pursuit of the personal interests of this world. On the contrary, the busier a person is, the more eager he is for training. Since it is an ascetic practice, it is presupposed that it is done voluntarily. From this point of view, training is not a trait that requires efficiency, so it is difficult to manage it for efficiency.

On the other hand, in Taylor's method of scientific management for example, discriminatory work-do-high-salary system was used in order to increase motivation. But since it was not left to the autonomy of employees, it was linked to systematic neglect, and it worked to the selfishness of the pursuit of monetary benefit, and to the efficiency of the management, which shows a stark contrast to the concept of “Master and Employee”.

III.2. Undifferentiated social high and low with respect to labor

In Europe, since ancient Greece, labor has been divided into two groups: techné or poiesis and prāxis. Technè is a labor that involves moving the body, such as a craftsman, and is perceived as painful. This is accompanied by the evaluation of “dirty and

¹⁸ Head of Department in the present times.

shameful” physical labor. In contrast, poiesis refers to the creative act, while prāxis refers to the moral thing and the act of making decisions. In other words, poiesis and prāxis are seen at the top of the behavioral hierarchy of labor independent from techné or moving bodies¹⁹. It seems that the idea that the type of labor that moves the brain is more upscale than the labor that moves the body is basically unchanged even now.

In contrast, labor in Japan is significantly different because it encompasses all of these. After the 1980's, people in Japan tend to dislike the kind of civil engineering work of 3K (dirty, dangerous and demeaning) and avoid working in such a workplace, despite the fact that the salary has been unscaled in return. In addition, a new 3K (difficult, cheap salary, no return) has also been highlighted mainly in the IT industry in recent years. However, there are no clear social and economic differences between the two concepts like in Europe. Even today, the concept of labor in Japan does not distinguish between physical labor and brain labor. In “Master and Employee” the author mentioned:

“If you do not know how to use people as people, the house and the nation will not subside. It is an important thing to know well, in both top and bottom.” (Volume 5)

In the “Master and Employee”, if you do not know how hard it is to work for someone with lower status, it is difficult to demonstrate leadership. A subordinate who sees a protective superior gets a sense of security and as a result, works well in the organization.

It is probably because of this that a strange phenomenon occurs when the president of a company that has grown to a certain extent takes the initiative to work at the factory site, or becomes the top in the sales activity. This can certainly be an important factor in creating a sense of solidarity with employees, but it can also be counterproductive in terms of who is in charge or working efficiently.

III.3. Breath of life: Comparison with McGregor’s theory

McGregor²⁰ advocated Theory X and Theory Y as a premise of the management method, but Theory X is exactly the ancient Greek flow. “Therefore, most of the wage earners are workers, and this is the price of all the satisfaction they can afford when they leave the work place. As McGregor²¹ said, “the traditional view of labor is never positive. It is necessary to motivate by “carrot and stick”. In fact, even the “Master and Employee” has a starting point with an approach that is close to this.

“Those who are under the rank are particularly reluctant to go to bed early at night and be up late in the morning, and do not want to be alert. It is cold in winter and hot in summer, and even if the master calls, the employee does not reply.” (Volume 1)

In summary, the doctrine stands on the premise that one is lazy and does not work assumed. However, immediately after this sentence, an idea which differs greatly from Theory X is shown.

¹⁹ Imamura, Hitoshi, (1998), Preface. Imamura Jinji, "The view of modern labor", Iwanami Shoten, Tokyo.

²⁰ McGregor, Douglas, (1960), *The Human Side of Enterprise*, McGraw-Hill USA.

²¹ *Ibid.*

“Motivate your employees by showing affection and compassion. They cannot easily understand it, even if only given instructions. Furthermore, it is not something that can be fixed easily by trying to fix this immediately. To fix this, it is the first thing to put up with it. This patience is something that cannot be done without compassion.” (Volume 1)

There are many sentences with a similar purpose. They say that we should treat our servants with virtue rather than treat them with compassion and force them to work. This is the opposite of the poverty institute in 17th century Europe²² and the forced labor there. Thus, the view of labor in “Master and Employee” is that it is unbearable for the “master” to make the “servant” work, and the work given by the “master” is intolerable and equal to the practice.

Both are painful, but, as mentioned earlier, in European-style thinking, mostly physical labor is shameful, and there is a tendency to want liberation from labor. On the other hand, in the “Master and Employee,” one is suffering from work, but these are like religious practices, and their suffering is a noble act of virtue.

IV. Leadership

IV.1. Ideal image of leadership

It is well known that, regardless of Schein's theory²³, the leadership style that is favored in each culture is greatly different.

The leader in the world of monotheism is the Prophet Moses, who received revelation from God in the biblical Exodus, where it was mentioned that “he who leads us to the ideal (of God).” A leader is someone who is especially trusted by God and has special abilities. Here, it is the reader who judges whether it is good or bad, what the image of overcoming hardship is and how to turn it to the ideal.

In response, “Master and Employee” warns against being autocratic. The following are two representative sentences that symbolize the impossibility of discussing pure religious books and private ethics books together. Instead of the leader making his own decisions, he adopts a virtuous subordinate who listens to them and decides.

“The Master will study and refine his knowledge, and consult with his family, friends, and subjects of wisdom, and rule the country and the house without problems. One should not think that this is only about the state.” (Volume 3)

“No matter how much wisdom there is, it is not wise to ignore the wisdom of others only by one's own thoughts. It is difficult to do things that are narrowly and morally good without relying on the wisdom of others.” (Volume 5)

It is not just those who are in the managerial ranks, but all that are not going to do anything they do not want to do. In this regard, we can see that the prophet is completely different from leading the “wandering lambs” (i.e., those who are not capable). This also refers to the similarity of the Acceptance Theory to Authority.

²² *Ibid.*, Imamura, 1998.

²³ Schein, Edgar H. (2004), *Organizational Culture and Leadership*, 3rd edition. Jossey-Bass.

IV.2. Basic premise as a leader: Entrusting

In “Master and Employee”, the staff is described on the work of the master on human resources.

“People who are virtuous do not force their own flow unto others. They make the flow that they want to do.” (Volume 1)

Here, things do not mean a certain way, but they are used in the flow of the situation and the meaning of the subject. For example, in Japan, there is a proverb that says “*water finds its level*”, but the original meaning is that the relationship between people has a certain regularity, like the law of nature, so it means that it does not work even if you force it to go against this law and execute it. In addition, it is a point that the characteristics of the ability of the employee should be discerned, even if it is important, and that the height of social class of the employee should not be placed in the standard.

“The person who comes to the house (the person who is hired) is a person who has wisdom, is capable, loyal, eloquent, and brave, a scholar and a person who has the ability to adapt. Other people should also be given appropriate work and use it. Those who can do that, are said to be good masters.” (Volume 5)

It seems that there was a difference in the origin of the apprentice, but in the management of the merchant family, it is said that even if it is a clerk or an apprentice, it should not be treated poorly.

“Because I am a daimyo in the first place because I have a subordinate. I am not a daimyo unless I have a subordinate. Man has no choice but to act right as a model for others. It is not possible to grant a wish in a selfish way. A man of virtue considers his subordinates as important, understanding, and not to treat subordinates as sloppy.” (Volume 5)

“The head is noble; the feet are humble. How could I be allowed to love my master as precious, and to hurt my feet as low as possible? Consider this sentence. It is like sacrificing one's feet with dignity and disgrace his retainers. Then I will become a solitary inept and lose my life.” (Volume 5)

This is the concept of “one’s debt to one’s fellowmen”. However, since the word “must not” came out, it is thought that a person with a higher social status actually oppressed a person with a lower social status, but it is thought that the four social classes was declared in the Meiji government, but it is already in the late Edo period. In this way, the leader is not a special existence, and it is characteristic that it does not fundamentally differ from the other members, and that it is rather important to care accordingly.

IV.3. Recruitment

In “Master and Employee”, humans are the most important management resources. It is presumed that both the master and the subordinate have high ethical standards.

“One can't directly control the nation by oneself. Use your loyal subordinates and people with morals to govern the state. No matter how many disloyal people there are, they are useless. It is just a disaster for the Master's family. In addition, when an emergency happens to the master, he does not mind his own affairs and does not mind his own personal affairs, he

thinks only of his own interests, and there are people who work in a family and take advantage of the fact that the master is in trouble.” (Volume 4)

“The treasures of the masters (the noble or the person who manages the area) is land, people, and politics. It is always a disaster to make jewelry a treasure.” (Volume 4)

It is said that when you have a large project, it can't be done by one person and one should hire by selecting suitable persons.

IV.3.1. Moral: The five cardinal Confucian virtues

In the “Master and Employee”, recruitment is characterized by a focus on ethics rather than the skills of the employee. In particular, the evaluation criteria were based on the five cardinal Confucian virtues²⁴.

“The hardships of the common people will eventually become the hardships of the master. Therefore, it is necessary to recruit a person who has wisdom and courage and to conduct good politics.” (Volume 3)

“If we don't find the right people, the country will be in danger and destabilize,” Even in “Mencius”²⁵, the country becomes empty if you do not believe in Jin and Ken. If you do not have the courtesy, you are going to have to go up and down. It is important for the master to use his mind. If you adopt a person who has a bad moral sense, the people will not listen to you, and evil will come out. Never use it. The bad guys should stop and move away from these people to disturb the nation.” (Volume 1)

Not only do they value their loyalty, but they also use the Five Principles of Wisdom and Confucianism as the criteria for their recruitment, and repeat the whole book.

It is not clear what kind of person he is, but he seems to think that he is a person who does not listen to others' stories and goes about things in a dictatorial manner. Hiring a fool is a cause of creating conflict within an organization, so we should pay attention to the recruitment. He also states that, even when hiring, the master should rely on his own knowledge and not employ anyone who judges that he is evil.

“If you show your own wisdom and find out whether a person is capable or not, do not wait for others to recruit, and do not recruit even if someone recommends you 1000 people. You must not hire someone who should not.” (Volume 2)

“To recruit a person who combines wisdom, virtue and valor, one must also have wisdom, virtue and valor. It is good wisdom to hire a person on this basis. A person who hires a person who uses evil wisdom is one that has his own character twisted.” (Volume 3)

It is not always a coherent argument about recruiting people, but it is also a matter of gathering opinions to make up for the fact that it is overlooked.

²⁴ The five cardinal Confucian virtues are regarded as the elements of gaining virtue in Confucianism. First one is benevolence, which means to love people. Second, righteousness which is to do what must be done, without being bound by greed. Third, politeness refers to the etiquette of interacting with people. Fourth, wisdom refers to wide knowledge. Fifth, trust means to keep promises.

²⁵ A wise man here refers to morally superior people.

By contrast, Pfeffer said²⁶, “it’s not a good thing.” First, he dismissed the idea that those who are humanly superior will be a leader as the “just-world hypothesis” and urged them to behave in a manner that would impress their power, to produce “anger”, to “interrupt the opponent's talk”, and even to recommend that it could be incest, such as “taking the boss's mood.”

IV.3.2. What to delegate

By quoting “Ieyasu Kodama”²⁷, he denies the generalists and states as follows: It is basically the assignment of the right material in the place, and it should be used in the field of the ability rather than trying to force the bad thing.

“Do not ask for anything.” To see is the eye, to hear is the ear, to smell is the nose, the taste is the tongue, the foot to walk, the hand to beat, the finger to take. The eyes are useless when dark surrounds us, but the ears are good. You do not need a hand to walk, and you do not need a foot to sit down.” (Volume 1)

This paper cites “Masashige Kusunoki”²⁸ as follows:

“When you hire a lot of people, you do not expect them to be ministers of similar abilities. Some people think he is a master; some people think he is a friend. In addition, some people seem to think that it is an enemy, it is useless for nothing, but some people put it to leave a person in the waste of salary. Understand this well and govern your country and your home.” (Volume 5)

There is a problem with dismissing all of your incompetent subordinates. Although it will be touched on in the personnel evaluation, it says that one should also be cautious to bury a grudge and become an enemy by dismissing the subject.

IV.4. Instructions for using obedience

The most important issue in “Master and Employee” is how to use a subordinate. The obedience attitude is assumed as it is, like a mirror image of the master.

“If one works honestly and advances in his career and salary without acting on the momentum and ideas of the occasion, that person will become the daimyo’s minister and a shopkeeper, and he will listen to his family members, servants, and women, and as a result, he will become the prestige of his master.” (Volume 1)

That is why, first of all, the master must be ethically correct. Furthermore, as the most important knowledge, the master must treat employees with kindness and righteousness. This justice and humanity have been repeatedly discussed in Confucius

²⁶ Pfeffer, Jeffrey, (2010), *Power: Why Some People Have It and Others Don't*, Harper Business.

²⁷ A testament note written by Ieyasu Tokugawa, who created the Edo bakufu (Japanese feudal government headed by a Shogun). Ieyasu Tokugawa's Wills. He created the Edo Shogunate system.

²⁸ This name is used in "Master and Employee", but it seems to be " Kouyo hyougo no ki", which a war chronicles.

and are important points in Confucianism. Caring for another person is a path that should be maintained in an ethical manner, but in “Master and Employee”, this is expressed as a heavenly path.

“A good man cares for the other person to breathe. Therefore, his subordinates are easy to work with. The bad guys try to keep others from breathing, so their subordinates do not want to serve.” (Volume 1)

The Master as a leader must always take care of his men as if they were breathing.

IV.4.1. Growth and education

After being hired, the employee should be treated like a member of the family.

“Even if you are one of the Masters, think of your servants as your children. Do not treat them like crap. However, disregard a child who is too terrible. This is for the house and for the descendants. I am not going to let this happen. It can be a hindrance to good people. It is a very bad thing. On the other hand, people who are good enough are rare. First of all, it should be used by the bad person in six points and four points. Be careful and use it gradually. When you do something good, praise it, and when you see it, reward it and become a good person. Many people become good people depending on the way they are raised. Be sure that the person who stands up is a good person. This can be called the real man of virtue.” (Volume 4)

This point is most likely the basis of long-term employment practices in Japan. Furthermore, taking it out is difficult because it is centered on the family.

The education focuses on the ability to judge what is good and evil rather than the mastery of the business content. Three of them, as mentioned above, are rare, and the one who can be born with these is rarer. Therefore, it is necessary to educate the employees and it is important to have a clear understanding of what is going on.

“First of all, praise the person who has a false loyalty and a false sense of justice, and sometimes give him a reward. In the end, he will become a man of sincerity and filial piety. Good people are rare in the first place. There are many who are taught well and become good people. For one thing, subordinates can be good or bad, depending on how their master treats them. Therefore, it is important how the master uses his subordinates.” (Volume 4)

As can be seen from this sentence, it stands in the assumption that few people can be faithful from the beginning, and it is said that it changes greatly depending on how the Master uses his subordinates.

IV.4.2. Evaluation

IV.4.2.1 Make sure that the grudge does not show

“There are three things the master does. It is to identify talent who will do the job, to evaluate for merit and rewards, and to reveal sin and give punishment. There is a long-term talent shortage to fill the job. There is also a high level of award giving and salary giving. It should be addressed to each person so that resentment does not arise.” (Volume 1)

In the modern way, it is the role of the superiors to judge the talent of the subordinates, to take a position, and to punish them by revealing the failure which they have actually done. However, the purpose of evaluation is to prevent the grudge from coming out rather than to respond to the result. The degree of reward will be decided according to the purpose.

“We should value those who value the world's interests first and those who abandon their desires and keep righteousness, and never the people who hate their masters. Even if that is not the case now, the master highly values his favorite person, and people in the world try to help his boss by saying various things, only trying to favor him. No matter how terrible the politics is, the people below can only benefit themselves. Is it the right politics?” (Volume 3)

Although commercial activities are private profit activities, it is not always desirable to have an attitude of always pursuing profits without always considering the impact on society. This is the basic idea of the social responsibility of the enterprise, and is considered to be the most desirable.

However, there are some employees who have asked for their boss's help now and in the past. This tends to lead to hidden recalls in the business unit or accounting fraud cases.

IV.4.2.2. Avoid betrayal

If you want to know how to do a thing, you have to do it yourself. The master tells you to give flattery and prizes to those who are ostensibly ethical and to obey those who disobey the master. A person who works in a position close to the master has greater influence than a person working at the end.

“Rather than jotting down the wrongs of the people, the evil of the officers on the master's side should be the first one to do it. Anyway, the fact that there are many vassals who borrow the power of the monarch and make the general public suffer and struggle is a great harm to the state. In order to know this, gather information through the secret actions of the confidant's subordinates, gather information from others when an evil is discovered, and punish those who are truly doing evil. Give them all a prize and a punishment. Punish one person, let the other be afraid. Do not punish everyone so much.” (Volume 4)

The important thing is to avoid being betrayed by subordinates, and it is not the purpose to control by fear. For this, the reward and punishment should be given to all.

This may be the reason why the whistleblowing system does not work in Japan. In other words, employees pledge allegiance to the company's community and supervisors, so that even if they find injustice, members of the community feel guilty about it. On the other hand, in the monotheistic culture area, there is a possibility that there is a big difference compared with Japan because it has an absolute god over the community and the boss of the place of work, and faith is a contract with God.

IV.4.2.3. Evaluation of results and goodness

Citing the “Analects” regarding how assessments should be given, the handbook mentions that subordinates should be paid for outcomes rather than aspirations.

"If the willing is high, I will pay", Mencius said. For example, if you do not do a useful job, break a tile, or scribble a graffiti on a wall and try to get a wage, do you hire that person? So, would you pay for that? No, you wouldn't. That is why one pays for a useful job, not for aspirations." (Volume 4)

Object to ideas such as "if you work hard, you will make money" or "you will get money, even when there is no result." Develop subordinates and evaluate them if their actions lead to goodness and evaluate them regardless of their initial intention. At the same time, even if the behavior and motive for the action is right, but the result is wrong, then it should be punished.

V.5. Ultimate authority

V.5.1. Dismissal

Fundamentally, one hires a person who is morally superior preferentially. For those who are not, masters must raise their ethics by education, and to train a person who do not have the capacity to work. Dismissal is regarded as a last resort.

"Forgive the sins of the most, and be patient with everything. If you cannot stand everything, nothing can be accomplished. If the master is short-tempered and hits the servant hard, the house will not necessarily befriend him. If you do not get along well, the country will be disturbed, and if you have a house, it will be a disaster." (Volume 5)

Based on this sentence, one is encouraged to forgive mistakes made at work. If a leader is short-tempered, he or she will not listen to the master's commands and will cause infighting, so it should be noted. However, those who are capable but morally bad must be quickly eliminated.

"No matter how merciful the master may be, there is a Born Villain," You can't do this to your subordinates. You should be fired early." (Volume 4)

In "Master and Employee," there are two cases of innate evil men to dismiss. One is the one who does not always understand the meaning of the things that work, while the other is the one who has described the behavior that was described earlier.

"There are people who think that food, clothing, and pocket money come down from heaven and it's all free. It is hard to imagine this kind of reasoning. We have no choice but to kick them out." (Volume 2)

This sentence seems to refer to embezzlement, which means stealing from the master. Basically, it should be solved by the education of the ethics, but those who do not improve should be dismissed.

"The master is a good servant, but there are vassals who are disloyal, who look down on the master, who make him a villain." This will do great harm to the state, so be careful and drive away." (Volume 4)

Basically, there is a premise that the master has the ability to judge morally good and evil. Because of this premise, it is considered that it is more important to cut off the cause of the organization's misconduct in the apology conference by the top of the

organization apologizing for its own “vice” and replacing it with the “virtuous person” instead of the “immoral person”.

V.5.2. Resistance to the leader

In “Master and Employee”, it is the master’s claim that one must not rebel. The premise is that the master is a good man, and that it is his duty to do whatever even if it is unreasonable. But even so, the master may instruct to do unethical things. The Master said:

“Whoever has become a servant, be compassionate to his master, but be faithful to him wherever he may be.” (Volume 4)

But if one does not do well, he will be reprimanded.

“If the Master seems to be doing a foolish thing, it is remiss to the master in the role of the retainer. It is the salary thief who does not stop the evil deeds of the master.” (Volume 5)

If he is required to be unethical while receiving a salary, he is required to be advised of his actions and to be unethical by his master. Still, retirement is recommended if things do not change.

“If your master's policy and your opinion do not suit you, then leave the house. Follow the master otherwise. There is no other way.” (Volume 5)

Basically, one should listen to what the superior says and if there is a problem with his sense of ethics, the servant should come up front and not say things behind his back. If the servant gives up on the master and still does not stop doing something unethical, it is said that the master is the cause.

VI. Conclusions

When working with Japanese people, one might encounter behaviors that are hard to understand. This is because, the objective is to make decisions that are not visible, even though it is essential for leaders to exercise rational management when it comes to running the business. In particular, even ordinary employees may find it difficult that they do not have the opportunity to voice out their opinions. This also applies to employees who have no opinion, or are not in a position to take responsibility. This is probably the influence of Shingaku. This may be seen as a strength of Japanese management or a lack of efficiency.

To illustrate, under the principle of unanimity, the work or decision of the manager of a department that is not directly related to the approval process of an initiative approves it or stamps the seal. While such ritual leads to a fatal problem that delays the decision-making process, it also has the advantage of making the movement very fast. Because by the time a decision has been made, a sufficient coordination that includes involving various stakeholders, answering their questions and overcoming any resistance have already taken place. This allows Japanese managers and leaders to be slow to make decisions but quick to implement them once they are made.

The problem of *karoshi* (death from overwork and mental stress) seems to be a problem specific to Japan. The reason for this is the inverse function (dis-function) of the townspeople *shingaku*. Japanese townspeople's mentality is influenced by Buddhism, Shintoism and Confucianism, in addition to the inherent Shinto religion of Japan. In particular, it seems that the connection with Buddhist training has had a great influence. Under the Pure Land ideology, which is a part of Buddhism, one must live his everyday life with the right conduct and right resolve, which, of course, is not an easy task. This principle also applies with work and both are not devoid of pain. Therefore, it is easy to make the adjustment by the labor input rather than improve the work structure itself efficiently.

For Japanese managers and employees, business activities are internalized, and fall into a difficult situation when a turn of events is difficult to be actualized by the language of reason. Because of this, the problem of low labor productivity in Japan continues. To the Japanese, work is not only an environment to make a living, but it is also a place to practice. And because of this, work is not seen as a place to streamline training. Therefore, people who had a hard time tended to be evaluated more than those who achieved results efficiently. In fact, when praising a person, the expression "this person is a hard worker" is commonly used and has the connotation of "someone who has practiced." In Japan, it is still very common to see employees going from one member to another to seek approval for requests, conduct one-on-one discussions to obtain consensus or agreement for a proposed change or project, and ask for decisions – an informal process called *nemawashi*. This can be seen as a form of work signal that the person is practicing.

When overseas trade of Japanese enterprises and multinationalization of enterprises advance, the confrontation with the local employees often occurs on the management method. As a result, Japan has been regarded as a mysterious country. It is regrettable that the Japanese voluntarily did not explain it academically to the non-Japanese despite the fact that good intentions can lead to confrontation. This is why, when conducting business in Japan, it is also important to understand not only the characteristics of Japanese management but also the religious influences and tradition that shaped the behavioral and social-institutional context of Japanese leadership and management.

In China and Korea, training is conducted in a sacred place, and it was not their idea to be trained by ordinary people, especially merchants, in doing business. It is said that Japan is close to the culture of the continent of China and of Korea because it is close to them geographically. In these regions, Confucianism had a dominant influence and had a view of seeing the merchants in the lowest layer of the social status as a group of people who devour the profits despite not producing them. Japan was similar until the end of 17th century, and there were similar parts in the Japanese mentality in that regard.

However, after the 17th century, it became completely different from China and Korea. In Shōsan Suzuki's "Banmin Tokuyo" ("Right Action for All"), he discussed for the first time how merchants have social significance. This had a huge impact for the merchants and was an idea that encouraged them. In Suzuki's "Banmin Tokuyo," it was thought that business practice was the same as Buddhist practice, and should never be placed at the bottom of society if merchants conduct their practice correctly. When doing business, merchants think that it is important to do fair business without lying to the other party, allowing them to see their practice with pride. As a result, engaging in commerce or trade no longer had a negative perception of being at the bottom of society.

This idea was then expended by Sanpou Yoshi who believed that in commerce, there are benefits to the seller, benefits to the buyer, and indirectly benefits to parties other than the parties involved in the transaction. Sanpou Yoshi's idea demands that business activities exist not only for the benefit of the two parties involved in the transaction, but also even to those who did not participate in the transaction. This is the prototype of corporate social responsibility (CSR), which is not designed to show off, but must be a virtue embedded in every transaction and done as a daily business activity. This idea is the basic logic of Oumi-merchant. Some of them traded throughout Japan and some settled down. Among them were the publication of books by townsman psychologists such as Jufukuken Shinkyo, and spread through Terakoya²⁹, and also adopted as moral textbooks for elementary through high school after the Meiji Restoration.

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²⁹ Terakoya is a school where monks and samurai taught the very young townspeople in a Buddhist temple or private residence. The equivalent of the current elementary school.

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