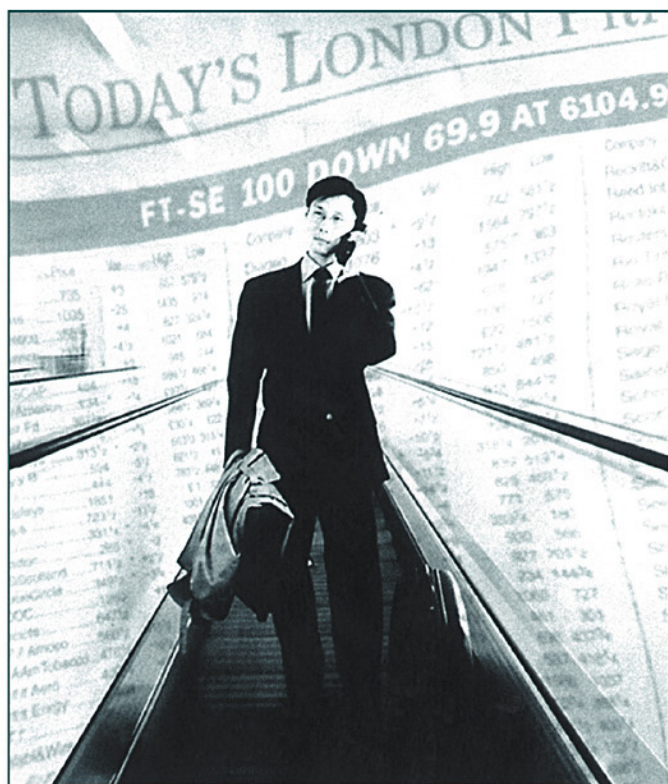


# Japanese Bankers in the City of London

Language, Culture and Identity in the Japanese Diaspora



Junko Sakai

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## JAPANESE BANKERS IN THE CITY OF LONDON

The globalisation of the world economy today means that more and more people are experiencing working in another culture. Focusing on the real experiences of workers in Japanese transnational finance companies, this book not only throws light on this specific case, but at the same time raises timely questions and insights the newly emerging multicultural work experiences world-wide. *Japanese Bankers in the City of London* reflects on contemporary discussions in sociology, anthropology and cultural studies of individual global movement and cultural interaction.

Whilst there are some studies on Japanese multinational companies in Europe, they have typically assumed stereotyped differences in management systems and work cultures. This book, however, breaks the mould by looking at the culture and individual's subjective views about their working lives and also their own world-views; this perspective illuminates the difficulties in working relationships between Japanese and Europeans. Junko Sakai reveals, through 100 transcribed interviews, the influence of power relationships on people of different groups in terms of gender, class and ethnicity. *Japanese Bankers in the City of London* shows uneven transformation of economic and cultural hegemony between East and West.

This book gives voice to Japanese men and women whose voices are rarely heard, and to the British who have worked for non-Westerners in the West. It is also a significant and timely analysis of the increasing influence of non-Western companies in the City. It will be of great interest to cultural anthropologists, business historians, sociologists and scholars in Japanese and Asian studies, as well as those involved in international finance and management.

**Junko Sakai** lectures on British society in the English Literature department at Ferris University in Yokohama, and teaches English language at Rikkyo University in Tokyo.

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FOR CHIE AND YOSHIE  
AND  
IN MEMORY OF MY ESSEX DAYS



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*Junko Sakai*  
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# 1

## INTRODUCTION

Only recently, and for the first time, have Japanese bankers begun to think of themselves as equals of Anglo-American bankers in the City of London and that Japan has caught up with the West in its own unique way. The Japanese actively participated in the international financial businesses of the City of London in the 1970s and its boom in the 1980s, based on the high value of the yen. They bought properties aggressively, invested in internationally syndicated loans, tried to finance local companies, and participated in new financial businesses such as options and swaps. Japanese bankers felt as if Japan had finally become a member of the Western élite. Some Japanese leaders felt they no longer needed 'to catch up with the West' and that they were now respected in the world. They thought that they had realised their aim of equality with the West to which they had aspired since the late nineteenth century when Japan came out of isolation. Their active participation in international financial businesses in the 1980s was looked upon as another Japanese economic miracle like that of manufacturing industry of the 1960s.

However, their illusion did not last long. Since the early 1990s, the Japanese economy has been suffering a serious recession, and Japanese banks now have huge debts which threaten the country's economy. For the first time since the end of the Second World War, some Japanese banks, which had been believed to be protected by government policies, have gone bankrupt or been nationalised, and weaker banks are now being merged with larger banks. Even the latter are struggling to bail themselves out of their losses. As a result, they are now withdrawing from their overseas businesses. In the City, some Japanese banks have already closed their offices, and some of their British employees have lost their jobs.

How did Japanese financiers come to join the rapidly changing environment of international financial business, which is characterised by the speed by which information is disseminated, deregulation of markets, and active investment beyond national boundaries? How have they adjusted to the pace of change in 1990s' globalisation? How will Japanese bankers continue the process of integration into the networks of global financiers as they develop in the future? And what can they contribute to the financial business of the

new era as investors and as employers of local staff? The experiences of Japanese bankers and financiers in the City in the 1970s and 1980s seem to show their limitations in joining international networks. How should we analyse the experiences of Japanese bankers and financiers in the Anglo-American-dominated financial world?

In order to answer the above questions, this book explores the narratives of people who have worked in Japanese firms in the City of London since the 1970s. Despite their active participation in the City, the voices of the people who have experienced the transnational working environment in Japanese banks have not yet been heard. How have Japanese bankers found the experience of working in the British business culture, and how have British employees<sup>1</sup> found the experience of working within Japanese corporate culture, especially in the banking sector? In both countries there exist strong banking traditions. It was therefore a new experience, both for the Japanese and the British, to encounter on a large scale people working in the financial services sector of another culture in their daily work.

This investigation represents a study of 'local' phenomena in a globally-dependent economy and the way individuals move between East and West.<sup>2</sup> In spite of its borderless character, the international banking business does depend on 'local' cultures. Japanese bankers, their local employees in the City, and the Anglo-American bankers who do business with the Japanese are all bound to their own cultural values and systems. Their encounter, on the one hand, can be seen as a part of the process of multiculturalisation of the City of London, which was beginning to lose the legacy of Empire by the 1970s<sup>3</sup> and take on a more Americanised way of doing business; and on the other hand, from the Japanese financiers' point of view, as the internationalisation of Japan in the global business world following its post-war economic growth. For both British and Japanese, the testimonies in this book show modern life in the context of an emergent global business world, the repercussions of which have not yet been thoroughly investigated. Indeed, despite the importance of the Japanese influence on the world economy, very little has been published about the people behind the phenomenon.

The global expansion of Japanese companies, and the problems arising from it, have been addressed in the fields of economics, business and management studies, from the point of view of the rapid expansion of the Japanese manufacturing industry after the Second World War. In the present study, however, those established explanations for the global expansion of the Japanese company are challenged, with special reference to Japanese financial institutions.<sup>4</sup> In previous studies, Japanese global expansion is usually portrayed in terms of either an economic miracle,<sup>5</sup> or more recently, in terms of failure to adjust to universal values as defined in the Western world.<sup>6</sup> Thus, it has been customary for the Japanese business world to be defined as 'the Other' in Western literature. However, in this book, those interviewed are seen as subjective 'agents' in a micro-world, which includes both British and

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Japanese employees in Japanese firms. It is hoped that, by examining the individual and his and or her world-view as recounted through life stories, we may gain a unique insight into the nature and effects of the globalisation process of late twentieth-century capitalism—in which more people than before encounter other cultures in their everyday lives, and in which it is vital to seek improved communication between people with such different world-views.

### **Japanese transnational companies—an egalitarian or hierarchical workplace?**

Previous evaluations of Japanese transnational companies have rested upon two opposite assessments. Such companies have been viewed as either multinationals in which hierarchical human relations prevail, or as egalitarian workplaces. A commonplace assumption of the first assessment is that the Japanese company treats local staff, especially managers, in unfair ways, based on ethnocentric ideas.<sup>7</sup> In such analyses, it is considered that Japanese companies emphasise Japanese ways of working, which are difficult for local workers to adjust to. A presumption based on the second assessment is that the Japanese company places its local staff on the same egalitarian footing as exists between managers and shop-floor workers, in which there is a flat management structure, a single cafeteria, the same type of uniform for management and workers, an open-plan office, and so on.<sup>8</sup> In fact, these evaluations are not contradictory but merely partial: the latter description refers to manufacturing industry and factory workers, and critical assessments often come from educated local managers in Japanese transnational companies whose experience is quite different. Japanese transnational practices have clearly been less successful in the management of local white-collar workers than with factory workers.

There are, in fact, three patterns of multinational enterprise, according to Perlmutter.<sup>9</sup> There is the geocentric model, in which managers move from country to country, promoted on a global basis, and management is integrated within a global organisation. This he considers the best practice for multinational companies. By contrast, in polycentric multinational companies, local firms and companies are managed by local staff according to guidelines established by headquarters. The third is the ethnocentric model in which local firms are strongly controlled by the headquarters of their countries of origin, and management is therefore dominated by headquarters. Giddens has claimed that Japanese multinationals continue to adhere to their own ethnocentric corporate culture, while Western multinational companies are moving to a geocentric from a polycentric model.<sup>10</sup> In contrast to the evolutionary change among Western multinationals, the seemingly static nature of the corporate culture of Japanese transnational companies is criticised in the West.

Despite this criticism of the management of the Japanese transnational company, popular images of the Japanese company that provides secure lifetime employment and offers egalitarian treatment to its local staff are widespread. Indeed, the ‘myth’ of this aspect of the successfulness of Japanese companies—attracted to Britain by tax incentives—was strengthened during the Thatcher years when job security became less certain in Britain.<sup>11</sup> The same ‘myth’ circulates among Japanese managers, who defend their corporate culture as superior to that of Western companies.<sup>12</sup> The Japanese in interviews repeatedly talked about the unique style of Japanese management which is in harmony with their own cultural backgrounds.

Reflecting on the myth of Japanese corporate culture, there have been discussions since the 1980s as to whether or not the Japanese system of production, especially in the car and electrical industries, can be transplanted to Western society. In other words, serious consideration has been given to the question of whether ‘the Japanisation of work’ and Japanese styles of production could be adopted in the West. In 1988, Oliver and Wilkinson argued that it was possible for the Japanese production system to be adapted in other countries.<sup>13</sup> On the other hand, Ackroyd *et al.* pointed out, perhaps more realistically, that the Japanese ways of working are only possible where the economic and social structures are similar to Japan,<sup>14</sup> and Elger and Smith pursue this theme in their book, *Global Japanisation?*—adding their contention that the Japanisation of work was the Thatcher government’s project to change work culture in Britain.<sup>15</sup> Oliver and Wilkinson, in the latest edition of their book (1992), pointed out that ‘Japanisation’ was in fact hindered by the constraints of social and economic conditions in Britain. They further questioned the use of the word ‘Japanisation’ itself, because the word has been used in two ways; firstly to describe characteristics of the Japanese production system, and secondly to describe a change in British work culture, with the tightening of work discipline in order to improve the competitiveness of British manufacturing industry. The two phenomena are not necessarily equivalent.<sup>16</sup> Against the caution of Oliver and Wilkinson, however, John Bratton has argued that ‘the Japanisation of work’, namely, just-in-time and group work structure, was already widespread in British factories by the 1990s.<sup>17</sup>

Yet, it seems that these academic discourses, which created the normative concept of ‘Japanisation’, may not be firmly grounded in reality. Indeed, these authors may be using ‘the story of Japanisation’ as a convenient explanation of the changing work culture in Britain. These discussions have all been based on stereotypical images of the Japanese company which have arisen from such scholarly discourses on Japan-based Japanese companies. Since the 1970s, in fact, Japanese companies have been studied as alternative models for late capitalism. In his pre-eminent study on Japanese firms, Ronald Dore drew comparisons between models of the Anglo-Saxon and Japanese patterns of capitalism, demonstrating that Japanese companies operated an alternative model to Western ones. Rodney Clark, in contrast, has seen Japanese

## INTRODUCTION

companies as oppressive organisations located in a company-centred society.<sup>18</sup> Similarly, contradictory evaluations of management underlie more recent analyses of the Japanese transnational company.

These views have further expanded into discussions on the difference in capitalist or business systems between East and West. In such discussions, the origins of the problems involved have been traced back to differences between the capitalist systems in the two countries. The British economy is often described as being based on the free market system and that of Japan on the protected economic system. However, such views seem to be static and to have ignored historical interactions between East and West. The two systems are changing and never have been, nor will they remain, 'essentially' different. The paradigm lacks the dynamism of change. Discussions of alternative models of capitalism and 'Japanisation of work' originated in the observation that Japan's manufacturing industry in the 1970s and the 1980s was successful, due to its production methods, the success of which was in turn attributed to its management style. But it is difficult to apply these approaches to the analysis of Japanese transnational companies located in the West. For, as we will see below, it is unlikely that a transnational company brings exactly the same company structure and exactly the same working practices to host countries.

In parallel with the de-industrialisation of the Japanese economy, Japanese companies have begun to engage in more direct foreign investment. As a result, there has been more contact between Japanese management and the local managerial class, which in turn has led to criticisms of the management of local staff in Japanese transnational companies.<sup>19</sup> Some studies of Japanese transnational companies have claimed that Japanese companies are beginning to give more responsibilities to local staff,<sup>20</sup> but other studies have rejected this idea.<sup>21</sup> It is now being questioned whether or not Japanese companies are trying to adopt Western values in their management abroad. In other words, the Japanese transnational company is being asked to adopt Western-style management for globalising its organisation.

Japanese transnational firms in the City of London are invaluable sources for information in examining the globalisation of Japanese management and business. First of all, despite its importance, there have been fewer studies made of the Japanese financial sector abroad than of its manufacturing counterparts. Moreover, since the Japanese are newcomers to international finance, Anglo-American institutions and the associated business culture still have a stronger influence on the ways things are run. The difficulties that both British and Japanese staff of Japanese financial houses in the City encounter are therefore different from those faced by employees in manufacturing industry. Japanese companies participating in international finance additionally have to cooperate with well-educated, local managers in their overseas subsidiaries. The potential for misunderstanding between Japanese managers and local staff in this sector is greater than in Japanese manufacturing companies abroad, where English-speaking managers have

tended to follow the Japanese-style systems of production; or in Japanese companies elsewhere, such as in developing countries. Japanese firms in the City thus provide a valuable base for the study of working relations between different cultures.

My purpose in using life-story interviews has been to explore the experiences of these cross-cultural organisations. This is a new approach in the investigation of Japanese transnational companies in the financial sector. Most studies on transnational companies have examined organisational structures, company policies, or strategic politics based on more 'official' company narratives. However, such ostensibly objective studies have not been able to analyse the difficulties in communication between business people. Instead, this book examines the subjective views of Japanese bankers and their local employees in order to analyse cultural interaction in the City since the 1970s.

### **Culture and identity problems in Japanese financial companies in the City**

There is an urgent need to examine cultural aspects of the global movement of the Japanese. This phenomenon has taken place in parallel with economic globalisation since the early 1970s, and the beginning of both movements coincided with the abolition of the restriction on the amount of dollars a Japanese person could take abroad. In the 1980s, Japan's global presence was highly visible, partly due to the strong yen. Even in the midst of the recession in the 1990s, according to statistics, around 700,000 Japanese are now living outside Japan<sup>22</sup> and many more Japanese are travelling or living temporarily outside Japan. Every year, the Japanese community abroad grows larger.

Expansion of the Japanese economy and the spread of Japanese culture has followed a pattern similar to that of other cultures which have created diasporas. Although the word 'diaspora' was originally used to denote the movement of Jews all over the world as stateless and victimised refugees, black communities have begun to use the term—without the connotation of victim—for evaluating their cultural expansion around the Atlantic Ocean.<sup>23</sup> Robin Cohen further expanded the meaning of diaspora in using the term to denote different types of transcultural communities in Britain.<sup>24</sup> Although one can doubt whether it is appropriate to apply the term diaspora to Japanese expansion, his categorisation indicates the ways in which Japanese globalisation is perceived in the 'metropolis'. In addition, although the Japanese global movement may not warrant the use of the term, 'diaspora', in terms of size, I would argue that Japanese transnational communities fit the description in terms of the way in which they have dispersed around the world, building up in the process both emotional and practical-support networks. They have strong connections with their home country, and create strong ties with other Japanese

## INTRODUCTION

abroad and perhaps for these reasons they have become viewed as ‘others’ in host countries.

The Japanese financial business community in the UK presents an opportunity to examine a new part of the Japanese diaspora. Globalisation was particularly evident among financial institutions in the 1980s. It is certainly true that the post-war movement of the Japanese has been led by Japanese economic success, first in the manufacturing industry and then in the financial sector. However, Japanese globalisation cannot be seen simply as an economic phenomenon: it is also a function of the movement of people, and it is this unprecedented global movement of Japanese people that has received scant attention from academic research. The global presence of the Japanese cannot be explained from a purely ‘inhuman’ economic perspective, nor by previous accounts of a fixed Japanese national identity. This book tries to explore the Japanese business community in London, mainly focusing on identities of individual Japanese people who have been involved in finance, and who are at a vantage point for comparing their impressions of the West with those of their own country. This book also looks at British bank managers in the Japanese business community who have first-hand experience both of British society and of Japanese values in their working lives.

In this section of the Japanese ‘diaspora’ in the City, how far do the ‘different cultures’ of the local employees and Japanese expatriates affect working relationships? Previous studies of Japanese white-collar workers questioned whether specific cultural conditions are essential to the Japanese style of work and management.<sup>25</sup> If they are, does this imply that there are ‘essential’ cultural differences between the two national groups? The question of ‘cultural differences’ is critical when we examine working relationships in Japanese transnational companies in the West. Discourses which emphasise ‘cultural differences’ in Japanese transnational companies can be viewed from the perspective of multiculturalism at work, but this leads to a tautology: if British and Japanese work cultures are different, then problems in their business and work relationships must have arisen from these differences and consequently are inevitable. However, ‘culture’ can be seen as not merely consisting of an unchanging essence, but something in a continual process of (re)construction, a process of discursive formation. Culture is formed by repeated ‘talks’. There cannot be a so-called Japanese work culture in the City without repeated ‘talk’ by the people involved. Furthermore, the idea of a ‘British work culture’ is defined differently according to a British or a Japanese perspective. In this book, rather than trying to delineate ‘essential’ cultural differences, I explore how the cultures are narrated by each group of employees. In other words, I examine the process of how the ‘essential cultural differences’ have been defined.

We need to consider what culture is, before examining the ‘cultural conditions of Japanese transnational companies’. I shall therefore try to define the term here. We all start from the notion that culture has boundaries and,

therefore, ‘our’ culture is not ‘talked’ about without referring to ‘their’ culture. This means that culture is shared imagination within a group in terms of lifestyle, religion, arts, morals, and so on. People who share similar values feel that they belong to the same cultural group: Japanese culture, women’s culture, working-class culture, and so on. I therefore think that culture can be considered as a means of defining groups rather than consisting essentially in the contents of the shared imagination of a group. The expression of ‘culture’ should be investigated as ‘language’ rather than essential and unchanging differences based on each ethnicity. In Japanese transnational companies, there is the ‘language of Japanese culture’ and the ‘language of British culture’, as if the two cultures were essentially different.

This also suggests that culture is defined within power relationships between groups. The so-called Japanese culture was described in the narratives of Japanese interviewees as the source of the expansion of the post-war Japanese economy, and as deriving from the strength of Japanese ethnicity. Japanese bank managers, at the same time, depicted British, or Western, culture as superior. In fact, there have been contradictory stories among the Japanese since the Second World War: on the one hand, that Britain has been a model for the modernisation of Japan, and, on the other, that British culture has been responsible for the decline of British industry.<sup>26</sup> In contrast, British managers talked about their culture as ‘universal and standardised’ and had the expectation that the Japanese would have to acclimatise to it. The ways in which cultures are narrated represent the notions of power relations between the groups. Japanese banks in the City are at the contemporary frontiers of cultural talk, where people of different nationalities meet in their everyday working lives. Therefore, culture is ‘talked’ of as the reason for segregation between ‘us’ and ‘them’.

Culture in transnational companies is a category for segregation. Culture is defined by our sense of belonging, in other words by our cultural identity; where we belong, who I am and where I am located in society. Cultural identity is formed by stories about belonging, in other words, by individuals’ declarations of where they stand in their imaginary worlds. I use the word ‘imaginary’, since culture and society are narrated through stories which are not necessarily absolutely ‘true’, but nevertheless represent the perspective of the narrator. Said pointed out that ‘identity has been the core of cultural thought’:<sup>27</sup> both groups in Japanese banks turn to their own cultural identities when they face ‘others’. They confirm their own cultural identities in defining what financial business should be, what ideal management should be, how gender identity ideally should be; and by what the world order is like—all issues which will be explored in this book. Segregation between groups of different employees within the banks led to the development of stories of different cultures, and accumulated academic knowledge was used to validate the stories. Again, I would like to stress that academic knowledge has been well circulated among the bank managers and developed to support their

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understanding of culture. For example, the so-called unique Japanese management system is used as an excuse for preventing the creation of a unified promotion system for British and Japanese staff. The stories of different cultures themselves re-emphasise segregation between groups, which segregation, in turn, re-emphasises differences in cultural identities.

It is crucial to notice that cultural identities are, however, not homogeneous within an ethnic group. Men and women, and people with different positions in society talk about and demonstrate different types of identity. Therefore, not only are dominant discourses in the West not necessarily shared by Japanese men in the core of Japanese society, but in turn discourses of Japanese men are not necessarily shared by all Japanese. Although men at the centre of Japanese or British society talked about cultural identity in terms of national characteristics, women talked in a different way about their cultural identities. Japanese men spoke more about their identities as Japanese, suggesting all Japanese were homogeneous. Japanese women, by contrast, tended to deny their 'Japanese culture'. Thus, it is important to bear in mind that cultural identity is not unified within one nation. We should be careful not to generalise a culture in which one ethnicity is said to predominate as a homogeneous one; rather, it is diversified according to subcultural groups divided along the lines of class and gender. Nevertheless, the Japanese staff continue to talk about themselves as 'we Japanese', and the British staff as 'the English', or 'Scots'. In each ethnicity, the dominant language of culture is often taken to represent the cultural essence of the ethnic group, or national group. In Japanese transnational companies, the dominance of men of each ethnicity has meant that their language too has prevailed over that of the workers. The voices of subcultural groups are rarely heard in the talk of 'culture'.

Between dominant ethnic or national groups, psychological competition for cultural hegemony accompanies economic or political competition. Each dominant group is proud of its 'culture' and talks about its culture as superior to that of others. The language of Japanese national culture used by Japanese men has been criticised as '*Nihonjinron*'.<sup>28</sup> *Nihonjinron* talk tends to refer to the Japanese as homogeneous, but in fact 'represents the ruling class in Japan'.<sup>29</sup> Also, it represents a new form of cultural nationalism in an era when Japan seems to have attained economic power. This can be compared with the British national identity, which has also been criticised as representing the dominant ideology of white male, and middle class, identities.<sup>30</sup> Although in an influential study of Japanese companies, the strong cultural identities of male managers are criticised,<sup>31</sup> this book suggests that both British and Japanese staff conceive of their identities—although informed by their gender and position in society—as national identities, and that those national identities are used for creating imaginary homogeneous groups. It is important to explore the process of making such stories.

The languages of Japanese culture and British culture in this transnational working place can be seen as contributing to their construction of the

boundaries between East and West. Said described how the ‘West’ has continuously constructed images of the ‘East’.<sup>32</sup> The Japanese have been described as ‘others’, and the language within transnational companies reflects such popular views of what ‘Japaneseness’ and ‘Britishness’ is, as notions of ‘us’ and ‘them’. It is certainly true that the West asserts its cultural hegemony, as Said described. *Nihonjinron*, namely the discussion of what ‘Japaneseness’ is, can be seen as a response to this assertion of Western cultural hegemony in order ‘to differentiate themselves from the universal’ Westerners.<sup>33</sup> So-called *Nihonjinron* is a common stance taken in stories circulating among Japanese bank managers, and is used to promote segregation inside their organisations.

One peculiar phenomenon in Japanese transnational companies is that power relations existing within the company may be reversed once outside. Within companies there is competition between Japanese and British managers for management control. Outside, the Japanese have had difficulty in joining the City business culture. *Nihonjinron* and the British equivalent of an assumed universalism in managers’ identities may be a defence when ‘others’ are faced.

These expressions of identity reflect the power relations between East and West. The reversal of cultural hegemony is unlikely to occur in a brief period. The particular problems of these financial companies may be explained by a misfit between Western cultural hegemony and the emerging globalisation of the Japanese economy, since different aspects of hegemony—political, economic and cultural hegemonies—are transformed unevenly in history. When we look at the current state of ‘globalisation’, it seems as if economic hegemony moved from East to West to some extent in the 1980s, though economic troubles in Asian countries in the late 1990s suggest that the transformation may not have happened at all. Cultural hegemony is still assumed in universalism in the West. Other societies and other cultures are always evaluated according to Western criteria. Interactions with people from different countries re-emphasise the notion of what ‘our culture’ is. If the Japanese had not gained economic power, or if they had not been involved in global economic competition, they might not have needed to defend their ‘own culture’. Difficulties have arisen for the Japanese because in fact they gained certain economic power. The particularity of the problem of Japanese identities seems to arise from the fact that the country gained significant economic power in the absence of any cultural hegemony, or cultural obedience. Thus, the Japanese have gained power within companies in their business operations, but are still surrounded by a Euro-centric atmosphere. In this sense, Japanese people might be thought to have a rebellious attitude towards the West.

Is it possible to create hybrid identities between cultures in order to create a new transnational working environment for both the Japanese and the British, or more broadly for people in both East and West? New identities, which are not ethnocentric, or based on the dominance of one particular group within the multicultural unit would have to be found. This book examines the narratives of the Japanese bankers and their employees in order

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to explore the question, which is particularly important from the point of view that the Japanese represent a people entering the global community without having been a former colony of Europe. In order to examine this phenomenon, this book looks at the cultural identities of both Japanese and British, which are never fixed in one society, but rather float somewhere between the two nations. My own hope is that it will prove possible to construct new identities which facilitate new attempts at communication between East and West rather than emphasising the cultural uniqueness of the East. New identities may come from the peripheral identities of younger men and women who are marginalised from the dominant discourses of national identities. I do not intend to argue in the book for the convergence of Western and Eastern cultures, but I hope to show the possibility of forming cultural hybridity in transnational business communities.

### **Life stories—focusing on ‘stories’ rather than facts**

This book analyses testimonies gathered through interviews with employees of Japanese financial institutions as ‘stories’ rather than as evidence of facts. I employ this approach, first, because of the severe competition between the Japanese and British, in which both groups of managers seemed to have developed biased views in order to defend their culture. Second, the world in which the interviewees operate means that people espouse official stories which are not necessarily based on their own observation or experiences. Finally, their stories have proved invaluable in the investigation of the relationships between cultures, since the talk in companies consists in the exchange of values and views of the employees.

When I started my work in this field, however, I had the naive preconception that the more people I interviewed the more I would know about Japanese banks in London and the people within them. In addition, I thought that if I continued to meet people I would eventually find a clear focus.

Ultimately, I conducted 100 recorded interviews and five unrecorded interviews between 1991–2 and 1994–5. Most interviews were between one and two hours long, though 11 interviewees talked for up to three or four hours. The number of interviewees is shown in Table 1.1. In addition to this, anthropological observation was added to some extent, since my interviews were conducted both in the workplace and at home, which provided an opportunity to observe both work and home lives. I also thought I would be able to uncover the details of their activities if I met more interviewees, and I would be able to write a kind of economic and social history of the development of Japanese banks in the City of London. However, I encountered difficulties when I came to look for an integrated story from my interviews. The stories I collected were biased by the viewpoints of the interviewees, layered from superficial opinions to deep unconscious feelings, and distorted

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Table 1.1 The number of interviewees

Category	Age group						Total
	20s	30s	40s	50s	60s	?	
JMM	2	7	23	14	1		47
JFM	5		2				7
BMM		5	6	1			12
BFM	2	1	2				5
BMC			1				1
BFC	3	2	1				6
LJM				1			1
LJW	1	3	7	2			13
Wife		1	1				2
City	1		1			4	6
Total	14	19	44	18	1	4	100

JMM = Japanese male manager; JFM = Japanese female manager; BMM = British male manager; BFM = British female manager; BMC = British male clerk; BFC = British female clerk; LJM = Locally hired Japanese man; LJW = Locally hired Japanese woman; City = Specialists on Japanese business in the City of London; Wife = Wives of Japanese male managers.

by their stereotypical images of themselves and others.<sup>34</sup> One disadvantage of my interviews was the difficulties involved in analysing the context in which people had said things, and what meaning was intended.<sup>35</sup> Therefore, it proved much more difficult than I had first thought to draw a reliable picture of what, in reality, was happening in this community. It also proved difficult to gain objective statistics about the financial state of companies, since Japanese bankers would not openly discuss their business. I respected their convention that Japanese men and women do not talk about their companies.<sup>36</sup> I therefore did not pursue discussions in the areas they were reluctant to talk about such as business activities, since I was interviewing at a time when Japanese banks had begun to be criticised for their huge bad debts. The bank managers I talked to were especially cautious when talking about business issues. As a result of these methodological constraints, this book is based on stories of their global working life.

Nevertheless, the analysis of stories rather than pursuing ‘facts’ turned out to be a distinct advantage. The central method I have used is the oral history-life-story method, which has the advantage of allowing the possibility of obtaining people’s views of the world at the same time as revealing their position in the ‘imagined community’. They see the world from their own perspective. As Benedict Anderson argued, the community to which we belong is only an imaginary construction,<sup>37</sup> and Paul Thompson and Raphael Samuel have pointed out in their book, *The Myths We Live By*, that narrative stories are the result of a ‘construction’ of history by the storytellers. Elizabeth Tonkin has similarly argued that the oral form of history is a result of the construction

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of the past,<sup>38</sup> which can be examined as such and analysed for the light they shed on the construction of culture. Since the enquiries of social historians encompass history in terms of space as well as time, oral testimony is particularly useful as a means of exploring the collective world-views which constitute 'cultures'. On an individual level, distortions, misunderstandings and biased emphases indicate the kinds of power relationships that exist between individuals or between groups. For example, jealousy of somebody may lead to that person being described as a 'bad' person, or, when an individual has been excluded from a group, they may claim that their exclusion was irrational. These emotional conflicts may distort stories. When people are happy their stories emerge as positive, but when they are low they are negative. These discoveries by oral historians are relevant to the studies of cross-cultural organisations. Difficulties in the business, and competitiveness between managers from the two countries, may have emphasised their different values, and if interviewers enter into the emotional geography of the interviewee, they can begin to understand the storytellers' emotional world. At the same time, the interviewer's discovery of common stories may reveal a collective construction of cultures. We can see how these managers, who are involved in international business, perceive their cultures, including their values, ways of thinking, lifestyles, attitudes to work and religion, a sense of belonging, and so on. This is the great advantage of life-story interviews, which could open up a new approach to organisation studies in this era of globalisation.

Despite the expectation that this qualitative research method could provide new insights into the multicultural working place, it took time to build up my questionnaire. I continued to develop questions during the process of my fieldwork. Almost like an anthropologist suddenly finding herself in a strange land, I started my interviews with people unknown to me and developed a dialogue. The answers of interviewees led me to develop my questions further. Although I had prepared an interview guide, interviews tended to be led by each interviewee rather than sticking to the guide. The result was a joint explanation arising from my own and their experiences of being in another culture: for the Japanese, like myself, working in Britain, and for the British working in Japanese companies. It is important to recognise the critical role of subjectivity as central to oral history methodology. In this case, my own understanding of the transnational working experience of my interviewees was informed by my own experiences of studying in Britain. If I had been a young hopeful male student, or an established academic, I would have probably understood their experiences differently.

I, therefore, do not claim that this is the only true story of Japanese banks in the City, but rather that my study represents one among plural realities. This said, the picture in this book is the product of more than 100 interviewees and myself, and therefore to some extent represents an alternative to the established accounts of Japanese companies and their people. Moreover, my

study overcomes the limitations of analyses of formal company strategies, or the sort of observations that outsiders coming into the working places are able to make. The Japanese in such studies have always been depicted as 'others'. Here, their own views are presented without being cast in such a role. Indeed, their life stories of cross-cultural working are claimed to be 'true' stories. This is the first collective story by Japanese bankers in the West of and by themselves.

Autobiographical stories may give voice to people whose accounts of life would not otherwise be heard. Here, by using the life-story interview method, the voice of workers in Japanese banks affords us an insight into changing ethnicity in the City of London. It also allows us to listen to how people recount narratives of dominant people, and how different groups construct their own stories of the world, its history, and their self-identities. Historically, the anthropological approach observed 'others', usually people in the Third World. In contrast, contemporary anthropology often uses autobiographical stories to reveal the views of people who have been observed, talked about, and evaluated by the observers. The life-story approach also makes use of this advantage in using autobiographical narratives which have 'the power of the individual voice'.<sup>39</sup> Although some of the Japanese I interviewed were from the contemporary Japanese élite, their voices had not been heard previously. Nor had those of Japanese women. Listening to these women helped towards understanding their collective consciousness, and has additionally, in some cases, been part of a process of empowerment through the opportunity to express themselves. The life-story method is now opening up new ways of analysing the experiences of newcomers to the globalising West.

### The interviews

The interview process itself revealed the nature of stories and relationships between interviewees, as well as the relationships between interviewees and interviewer. It also raised questions of language used for interviews in the case of cross-cultural research. Most research on Japanese companies based on interviews is conducted in the English language. Even when the research is done in the Japanese language by non-native Japanese researchers, the responses elicited tend to fit with cultural values which the English language embodies. Stories are confined within a language used only in interviews. The responses of Japanese businessmen interviewed by researchers in the West seem to be based more on official company policies which conform to cultural values embodied in English than to their own personal views. But my interviews done in the Japanese language created a feeling of shared cultural values between the interviewer and interviewee.

Conversely, interviewing British participants using the English language as a non-native English speaker, may have limited my ability to enter into a deep

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dialogue with them. I tried to compensate for this disadvantage, using my position as a woman, as a student, and even my position as a non-native speaker. They tried to teach me, and they tried to make me understand the importance of cultural convergence. It was a great advantage for this research. Further, it made me think of the great possibility of observing the English-speaking people as ‘others’. Anthropology nowadays talks of the importance of eliciting the views of the people who have previously only been observed by researchers coming from the cultural centre. The unevenness between observers, usually Westerners, and the observed, usually non-Westerners, could be corrected by non-Western researchers joining social science research in the English language.

Despite the differences between interviewing in my own language and in a second language, both the Japanese and the British enjoyed talking about themselves. I soon discovered that, despite the popular image of the Japanese as reluctant to talk about their inner selves, those I interviewed tended to give the lie to this stereotype, once they had begun to talk. I found the British to be similarly forthcoming, once they had begun to talk, in freely giving their views about life and work. Cross-cultural working experiences in offices made them talk about their expectations, disappointments and, again, hopes of creating new working environments. Of course it was difficult to gain intimate knowledge about their experiences when I interviewed these people in their offices, and some individuals were more secretive about their business and about personal matters than others. However, it seemed that the reluctance depended more on personality than on national characteristics. Difficulties also tended to relate to where interviews took place, limitations of time, and an individual’s position in the company.

Both Japanese and British expressed their shock at the different behaviours and morals they encountered in the transnational workplace. Their disappointment after working several years in ‘another’ working environment led them to make up stories of cultural dissonance. Their stories also illustrated how they saw the world and themselves.<sup>40</sup> For example, the Japanese talked about how hard they worked, and the British talked about how the Japanese work environment was male-dominated. However, their constructed stories tended to be based more upon the stereotypical images which they held rather than on the ‘discoveries’ they had made through their own personal experiences. Thus, they formed and circulated ‘collective’ stories, which provided an opportunity to examine dominant discourses—whether in terms of gender, ethnicity or class—in the transnational company.

Interviewing Japanese financiers also provides an opportunity for demystifying this group, whose position in society differs from that of Anglo-American financiers. Their calm but aggressive image is sometimes exaggerated in the eyes of Westerners and at other times played down. The interviews revealed them as ‘company men’ employed by large corporations after their graduation, and not successors in family businesses. Despite the fact that they are mere employees of large companies, they are part of the company

global hierarchy. The Japanese managers, especially bank managers, are considered more 'élite' than managers in manufacturing industry. They are not in the top rank of the global hierarchy to which they belong. Nevertheless, they are proud of their sense of belonging to their company and of contributing to the development of Japanese society.

My interviewees were business people, whose working lives shaped the interviews in particular ways. For instance, interviews were sometimes stopped by urgent matters, such as telephone calls from head office. Once, an interview which should have taken place in London was cancelled at the last moment because the bank manager had to deal with a crisis arising from the sudden rise in the value of the yen. In addition, although the managers I interviewed seemed to be emotionally stable, the business world they were involved in was highly competitive and stressful, and the 'ups and downs' of their working lives, therefore, often affected the 'tone' of the interviews. In one example, the interviewee was cheerfully talking about his personal experiences, and promised to be interviewed again. The next time, he was extremely low, and could barely speak. I later found that there had been a merger of rival banks on that day. Of course, no explanation was given as to why he was low that day, but his changed attitude aroused my curiosity.

It proved difficult at first to gain the necessary introductions to potential interviewees. Writing letters directly to Japanese financial companies proved not to be useful—not a single company replied. I therefore resorted to the 'snowballing' technique; in other words, I used as many connections as possible, through my own friends, and relatives, and through academic people, in order to make contact with interviewees.<sup>41</sup> Entering into the business network was, in the beginning, almost impossible. Continuous refusals made me think I might have to give up this research.

However, the difficulties themselves turned out to be rewarding. The introduction process revealed that there was segregation among the interviewees, according to ethnicity, status and gender. Men and women, Japanese and British staff, and the managerial classes and clerks had different human networks, and it was rare to gain an introduction beyond the boundaries of each group with the exception of introductions by Japanese bosses to their subordinates. Japanese employees acted as a close-knit group. First, I was introduced by a journalist to a group of senior managers who were in their thirties and forties. This first group formed a friendship network of Japanese male employees from head offices in Japan. Japanese female managers and locally hired Japanese women were introduced by these male groups as their subordinates. Women introduced me to their friends, but female Japanese managers did not extend any introductions. This in itself may indicate their isolation from the male world. The different lines of introduction demonstrated the social segregation of the people I interviewed.

The introduction process brought to my attention some networks of friendship and family. Japanese male banking staff have strong relationships

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within the occupational group which are, in terms of their emotional ties, more like friendships than relationships between colleagues or business acquaintances. Conversely, women sent by their companies from Japan had their own society for exchanging information and helping each other, but their friendship ties were not as strong as those of the men. Female managers were relatively isolated and their ties were more individually connected to male bosses. Locally hired Japanese women had strong friendship networks and were sympathetic to other women. It seemed to me that the women in Japanese companies in the City were positioned as divided around men, as female managers, wives or support staff.<sup>42</sup>

Equally, in gaining introductions to the British staff of Japanese companies I encountered many refusals. It was slightly easier to meet City bankers who were specialists in Japanese-related business. One British senior manager was introduced to me by an academic. This manager introduced me to some other British managers in British organisations. Like Japanese male managers, British senior managers also had their own networks which were more like friendships, through university connections and business in the City. However, in general, it was difficult to make contact with British managers and specialists inside companies. A few were introduced by their Japanese bosses. As far as I observed, the British had less clear gender segregation in terms of networking than the Japanese. For example, British female managers introduced me to some of their male acquaintances. The process of finding British interviewees made me notice the segregation between Japanese and British staff. Both British men and women were cautious about the interviewer's position. Their main worry was that I might report their views on Japanese bosses. At the same time, I felt that they had a hidden expectation that I would convey their complaints to Japanese bosses, or even that I might reveal their problems to Japanese society at large.

Problems also arose in establishing trust between the interviewees and myself, as it was difficult to gain the trust of a group to which I did not belong. Thus, it proved more difficult to obtain men's stories than women's, and the British staff's stories were harder to obtain than those of the Japanese. The most difficult group proved to be the British senior male staff. In particular, when I was introduced to them by their Japanese bosses they were extremely cautious, fearful that I might report their views to their Japanese bosses. It was always easier to interview the British when I was introduced to them by their British colleagues or friends.

One way of gaining trust was to focus on the similarities between their experience and my own. Japanese male managers were sympathetic towards a student who had come to this country and who was experiencing difficulties in another cultural atmosphere. We shared the same feeling that it was not easy to live and work in another country. They helped me by talking about their own cultural experience in their business world. However, it was difficult to gain much information about their personal lives: for example, stories

about their family lives. Female Japanese managers were even more cautious than their male counterparts towards me as a mature student, perhaps in the belief that I had feelings of inferiority towards them with their good career prospects. Young Japanese women sent to Britain from their companies, on the other hand, introduced their friends to me, and they talked to me more openly and without any feeling of competition. Despite such differences, I found it easier to gain the confidence of both the British and the Japanese women than the men. Women tended to be more sympathetic than men to a female research student, even though some female delegates displayed toughness. However, I gradually understood that their defensiveness came from the difficulties they experienced in working in a male world. In contrast, locally hired Japanese women were sympathetic to my fieldwork and wanted to talk about their experiences both in Japan and in Britain. I felt I had given them a satisfactory opportunity to talk about their views of the world, which had been gained through their experience of moving between the two cultures.

Difficulties also seemed to arise from my social status as a mature student from a British university unknown to most Japanese male managers. If I had been a young male student studying economics at a prestigious university, I might have found it easier to conduct the fieldwork in this hierarchical, financial world. It was almost unthinkable for these male managers to conceive of a Japanese 'housewife' studying away from home and studying Japanese bankers abroad. One interviewee thought I was a lecturer at a Japanese university: it was embarrassing to see his response when I corrected this misconception. It is easier if the interviewer belongs to the same social group as the interviewees.

I had difficulties in gaining access to the top echelons of the Japanese financial world in London. However, I was fortunate to meet one managing director who was exceptionally open-minded. He said that his principle was to meet everybody who wanted to see him. He did not ask about my background, saying that if the topic was interesting and the person seemed to be reliable after he saw him or her, it should be all right. After I had met this manager, he introduced me to a group of managing directors who had spent many years abroad and had a wider knowledge about company policies. Interviewing top management added to my eliciting of official views on company policies rather than on cross-cultural everyday working life.

In the end, I found that, for me, it was easiest to gain introductions to, and the trust of, locally-hired Japanese women. My position as a student overlapped with theirs, as women who had migrated individually to Britain. We could exchange personal experiences of being in another country. We spoke about what had happened to us, what kind of misunderstandings made our lives more difficult, where we could live between the two nations, and so on.

Among those who refused to be interviewed, I found differences in cultural attitudes between the Japanese and the British, between men and women, and between clerks and senior managers. The Japanese I approached

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unsuccessfully tended to refuse directly when they did not want to be interviewed, but the British staff I asked often said, 'I will phone you later'. Yet, the phone calls did not come. When I phoned three or four times, some agreed to be interviewed. Yet others just said, 'I will fax you next week'. One British manager sent me several letters and said that he would help me and would let me know when he could meet me. He never directly refused, but I came to understand that I had been refused. I began to wonder which was less painful, being refused directly, or being dismissed with nice smiles and promises. As a language learner, it took me time to understand that English is a language in which words do not necessarily represent their meaning. Gradually, I realised that I had to pick up the implications behind words through the context and the attitudes I encountered during conversations. The smiling refusals of some British staff left me deeply depressed. The Japanese are often discussed as people who hide behind *tatemae* ('ideology' or official talk) and *honne* (practice or real feeling), but I gained the strong impression that the British people who refused to be interviewed were the more sophisticated in terms of hiding their real feelings when they wanted to say 'no'. For them, it appeared to be too embarrassing to refuse directly and they found it more acceptable to refuse by the implications underlying their words and behaviour. In this sense, they were using *tatemae* and *honne*, just as the stereotypical Japanese are believed to do.

During my interviews, I learned to play a different 'self' for each group, though it took time not to feel guilty that I was saying what I did not really believe from the bottom of my heart. I started from the assumption that I had to be consistent in what I was saying, but I found that it was necessary to adjust to interviewees' values. I felt depressed at this chameleon role I adopted for my interviewees. To the Japanese male managers, I was a humble female student admiring the success of the Japanese economy and the work attitudes of Japanese culture. I also showed sympathy for their difficulties in doing business in the Western world. I empathised with the female managers when they complained of how difficult it was to work in Japanese, male-dominated workplaces. To the male British staff, I said that the Japanese would have to give more responsibilities to the local staff to be fair and if they were to do better in their business. I also went along with the British female staff's opinion that Japanese men are anti-female. In the end, I realised that we all play ourselves differently when facing different people. This discovery relieved me from the depression I had experienced at the outset of the fieldwork.

I was affected by my own experience of moving between cultures when interviewing people who were from my own culture (i.e. Japanese and female) and those who were not from the same culture as me (i.e. British and male). Interviewing men was also a new experience for me, and seeing things from a different viewpoint afforded me insights which greatly surprised me. The business world of men was new to me. My fieldwork interviews proved a painful experience in adjusting to discourses from other cultures, but at the

same time this was a valuable experience from which I was able to learn about different worlds from that in which I live. It was like seeing a play. I was fascinated every time for two or three hours by their life dramas. Going home after the interviews felt similar to going home after the theatre. On the way home, though I was exhausted and influenced by their stories, I recalled the stories, characters, the meanings, and their performances, and then I thought about my own life. I interpreted their lives through my own life experience, and vice versa.

### The position of 'I'

Both gaining introductions and the interviewing process made me think about myself, but the whole process of writing about interviews also made me think about 'who I am'. As Stuart Hall pointed out, 'we all write and speak from a particular place and time, from a history and a culture which is specific. What we say is always in context';<sup>43</sup> and I have had to face the question of where to locate myself between cultures. When we look at existing studies on Japanese companies, Japanese society, and so on, the Japanese are examined, talked about, and constructed by Western academics, though I do not deny that Japanese academics have responded to these constructions with a pride in themselves as 'unique' and special. However, responses vary between men and women. Japanese male academics are often proud of the productivity of Japan's manufacturing industry, while female scholars criticise the male-dominated hierarchical culture of Japan.<sup>44</sup> However, I have found that I am not sure where I can locate myself, being neither a Westerner who can criticise Japan, nor a Japanese who can share academic discourses inside Japan. In contrast to Western researchers who sometimes criticise themselves for using their interviewees' personal experiences to promote their own success in the academic world, I have felt powerless in relation to most of my Japanese interviewees whose futures inside Japan seemed to be guaranteed. Before I came to Britain, I had had an illusion that there would be no problems in being Japanese and studying in an English environment. Soon, I realised that I needed to gain an understanding of how to think in English and wished that I had been a non-Japanese, shortly followed by a realisation of the impossibility of gaining a similar perspective to that of Westerners. I realised that I could not criticise the problems in Japanese transnational companies in the same way as Westerners might do, as I did not share the same values as Western scholars. So, where could I locate myself? I continued to swing forwards and backwards between cultures, just as my informants were doing.

This book is based on research which I undertook for my thesis, and is therefore 'aimed' at English-speaking academics. Academic research might be considered as making stories for imagined 'readers'. I have had to produce acceptable stories for English academics. For Japanese students in the West,

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it has often proved to be easiest to locate themselves in Western values, and to look at Japan as a country coming historically from behind. Writing a thesis is to produce arguments which can be ‘consumed’ by the reader. However, I have found it impossible to ignore my own cultural identity, as a woman, as Japanese, as a member of my family, and as a middle-aged person who was educated in post-war Japan.

I therefore do not claim that this is a neutral and objective book which represents the ‘true story’ of Japanese financial firms in the West. Rather I would say that this is a story constructed from narratives made by my interviewees and ‘I’, and a story constructed by my own analysis from my own standpoint from in between the two cultures. We need to be aware that there can be stories, other than dominant ones, which have an equal claim to represent part of the truth. The ‘otherness’ of this book will stand as testimony to the multicultural nature of the City of London, and to the changing stories of globalisation.

### **The structure of the book**

In the following chapters I explore the narratives of culture and identity in Japanese financial firms in the City, taking different aspects in turn. The aim of Chapter 2 is to clarify the economic and historical context of these people. Both in Britain and in Japan, drastic changes in financial business occurred during the 1970s. The City had become more dependent on the Euro-market and its increasing number of foreign houses. Having recovered from the damage of the war, Japan’s direct foreign investment began in the 1970s. This chapter discusses Japanese participation in international financial business in the City since the 1970s, the aggressive activities of the Japanese in the late 1980s, and their withdrawal in the 1990s. As there were problems in obtaining objective evidence, the chapter is based almost entirely on interview material. I conclude that it is unlikely that ideas about the finance business in different capitalist countries will change rapidly in spite of the current rapid global economic change.

Chapter 3 describes the setting of this study and provides a profile of each group of interviewees. First of all, the Japanese financial business community is overviewed. Then, I categorise the interviewees into eight groups; Japanese male managers, British male managers, Japanese female managers, British female managers, British clerks, locally hired Japanese, wives, and experts in the City on Japanese business.

Chapter 4 explores how the Japanese developed management practice in relation to local staff in the period of expansion in the 1980s. In the developing Japanese transnationals, gender relationships became an important factor in cultural communications. Indeed, gender is a decisive topic when people talk about cultural identities. Chapter 5 reveals how gender relationships in each

of the cultures became polarised in this multicultural situation and explores cross-cultural gender relationships at work.

Chapter 6 looks at people's inner world and their sense of self. Although more and more people move globally and interact with different cultures in their everyday lives, such as these business people, there are still difficulties in understanding one another and exchanging views. Each individual has a different identity, and power makes some people more talkative and often more positive, but others more silent, often creating negative views of themselves and of the world. There is dislocation and displacement in people's sense of self in this small Japanese business community. However, dominant discourses still belong to male senior managers who have core positions in their own culture and companies, although British and Japanese male managers compete. One question which remains unanswered is whether the Japanese system will converge with that of the West, or whether cultural differences will remain as essential differences. In this chapter I consider how the financiers I talked to look at this question.

Chapter 7 questions whether it is possible to go beyond cultural boundaries by analysing the life stories of Japanese women, who have decided not to return to their own culture, but have, however, not been able to integrate fully into British society. Most of the Japanese women, talking about their lives—often in tears—displayed the emotional conflicts which they experienced as a result of being 'between cultures'. They had finally found workplaces on the periphery of the Japanese business community in London. Their lives contrasted with those of their male counterparts who had tended to gravitate to the Japanese male-dominated company world. However, I found that human beings living on the cultural boundaries between men and women, between classes and between nations gained strength from these experiences and could testify to the potential for creating cultural hybridity.

In the concluding chapter, I return to the core questions of the cross-cultural identities of these transnational workers, both British and Japanese, and how their business and working environment on the boundary between East and West has been unexpectedly influenced by their diverse cultural identities. How could we establish new ways of cultural communication for making hybrid working cultures in this globalising world? Is there any evidence of emerging new identities in this climate of globalisation in the 'stories' of employees in newly emerging Japanese global financial companies?

## Notes

Japanese names are written in the English style in this book with the given name first, in order to avoid confusion, as both British and Japanese names occur in this book.

I use macrons to express long vowels in Japanese words. However, some geographical names (e.g. Tokyo, Osaka) and the names of certain Japanese authors and Japanese universities which are already known in English (e.g. Shusaku Endo, Keio University) are exceptions to this rule.

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- 1 The local staff in Japanese financial firms are not only British, but also Europeans from other countries, and people with other cultural backgrounds. However, I eventually interviewed only British staff, though I tried to meet other groups as well.
- 2 It is questionable whether we should use the word 'West' with a capital letter. In my interviews, I found the interviewees still hold on to the notion of differences between East and West. I, therefore, use capitals, but this does not mean I accept the differences as fundamental.
- 3 For more about the City and imperialism, see P.J.Cain and A.G.Hopkins, *British Imperialism: Crisis and Deconstruction 1914–90*, 1993.
- 4 For more about the economic activities of Japanese banks in London, see Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten: Kinyu Saizensen no Jitsuzo (The London Branches of Japanese Banks: Practice in the Forefront of Finance)*, 1992; J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990; Bill Emmott, *Japan's Global Reach: The Influences, Strategies and Weakness of Japan's Multinational Companies*, 1992; Toru Iwami, 'Internationalization of Japanese Banking: The Factors Affecting its Rapid Growth', *Journal of International Economic Studies* (Institute of Comparative Economic Studies, Hosei University), no. 3, 1989, pp. 85–110; Takashi Kiuchi and The Long-Term Credit Bank of Japan, Ltd., 'Japanese Investment Strategies in EC Banking Industry', presented at the Japanese Direct Investment in a Unifying Europe: Impacts on Japan and the European Community Conference, INSEAD Euro-Asia Centre Fontainebleau, 26–7 June, 1992; Gabriel Hawawini and Michael Schill, 'The Japanese Presence in the European Financial Service Sector: Historic Perspective and Future Prospects', presented at the Japanese Direct Investment in a Unifying Europe: Impacts on Japan and the European Community Conference, INSEAD Euro-Asia Centre Fontainebleau, 26–7 June, 1992; Ryuzo Sato, Richard M.Levich and Rama V.Ramachandran, *Japan, Europe and International Financial Markets: Analytical and Empirical Perspectives*, 1994; Henry S.Terrell, Robert S.Dohner and Barbara R.Lowrey, 'The US and UK Activities of Japanese Banks: 1980–88' (unpublished paper), International Finance Discussion Papers, September 1989; Adam Tickell, 'Banking on Britain?: The Changing Role and Geography of Japanese Banks in Britain', unpublished paper, School of Geography, Leeds University, 1993; 'Japanese Banks in London', *Bank of England Quarterly Bulletin*, November, 1987, pp. 518–24; H.S.Terrel, 'The Activities of Banks in the United Kingdom and in the United States, 1980–88', *Federal Reserve Bulletin*, 1990.  
For studies of the management problems of Japanese banks, see Carolyn L. Evans, 'Human Resource Management in the Japanese Financial Institution Abroad: The Case of the London Office', *British Journal of Industrial Relations*, vol. 31, no. 3, September, 1993, pp. 347–64; Malcolm Trevor, 'The Overseas Strategies of Japanese Corporations', *Annals, AAPSS (Annals of the American Academy of Political and Social Science)*, vol. 513, January, 1991; Malcolm Trevor, Jochen Schendel and Bernhard Wilpert, *The Japanese Management Development System: Generalists and Specialists in Japanese Companies Abroad*, 1986; Stephanie Jones, *Working for the Japanese: Myths and Realities, British Perceptions*, 1991.
- 5 For example, see Charles McMillan, *The Japanese Industrial System*, 1985; Toyohiro Kono, *Strategy and Structure of Japanese Enterprises*, 1984; Masahiko Aoki, *Information, Incentives and Bargaining in the Japanese Economy*, 1988.
- 6 Bill Emmott, *The Sun Also Sets: Why Japan Will Not Be Number One*, 1990; Karel van Wolferen, *The Enigma of Japanese Power: People and Politics in a Stateless Nation*, 1989; Jon Woronoff, *The Japanese Economic Crisis*, 1993.

- 7 On the subject of unfair treatment of local managers, March and Elashmawi pointed out that local managers in Japanese multinational companies felt they were discriminated against in terms of promotional opportunity, exclusion from decision-making, salary, and so on. See, Robert M. March, 'Western Manager and Japanese Boss', *PHP Interest*, vol. 8, no. 8, 1 January, 1992, pp. 11–16; Farid Elashmawi, 'Japanese Culture Clash in Multicultural Management', *Tokyo Business Today*, vol. 58, no. 2, February, 1990, pp. 36–9.
- 8 R. Florida and M. Kenny, 'Transplanted Organizations: The Transfer of Japanese Industrial Organization to the US', *American Sociological Review*, vol. 56, 1991, pp. 381–98.
- 9 Howard V. Perlmutter, 'Towards Research on and Development of Nations, Unions and Firms as Worldwide Institutions', in Hans Günter, ed, *Transnational Industrial Relations: The Impact of Multi-National Corporations and Economic Regionalism on Industrial Relations*, 1972, pp. 21–50. According to Perlmutter, multinationals of polycentric models also have problems, because managers of local branches conduct business without global integration.
- 10 Anthony Giddens, *Sociology*, 1993, p. 545.
- 11 John Bratton, *Japanization at Work: Managerial Studies for the 1990s*, 1994, pp. 3–12.
- 12 Even academic knowledge is not free from its cultural position. It seems to be that Japanese academics stress the advantages of the Japanese management style. For example, Masahiko Aoki and Ronald Dore, eds, *The Japanese Firm: The Sources of Competitive Strength*, 1994; Kazuo Yoshida, *Nihongata Keiei System no Kouzai (Advantages and Disadvantages of the Japanese Management System)*, 1994 (first published in 1993).
- 13 N. Oliver and B. Wilkinson, *The Japanization of British Industry*, 1988.
- 14 S. Ackroyd *et al.*, 'The Japanization of British Industry?', *Industrial Relations Journal*, vol. 19, no. 1, 1988, pp. 11–23.
- 15 Tony Elger and Chris Smith, eds, *Global Japanization? The Transnational Transformation of the Labour Process*, 1995.
- 16 N. Oliver and B. Wilkinson, *The Japanization of British Industry: New Developments in the 1990s*, 1992.
- 17 John Bratton, *Japanization at Work*, 1994.
- 18 Rodney Clark, *The Japanese Company*, 1979; Koji Baba also depicts Japanese society as company-centred, in 'Gendaiseikai to Nihonkaishashugi (The Contemporary World and the Culture of Japanese Companies)' in University of Tokyo, Social Science Institute, ed, *Gendai Nihon Shakai-Kadai to Shikaku (Contemporary Japanese Society—Problems and Perspectives)*, Tokyo, 1992, pp. 29–83. The working life of workers in a Japanese auto company was illustrated by Satoshi Kamata. He worked in the factory as a seasonal worker in the 1970s. What he observed was that workers' lives were strictly controlled and overwork caused accidents. In addition, discussions of quality control were nominal. See Satoshi Kamata (translated and edited by Tatsuru Akimoto), *Japan in the Passing Lane: An Insider's Account of Life in a Japanese Auto Factory*, 1983. Furthermore, the film *Rising Sun* repeatedly explains the ideas of men in Japanese companies. There are also business handbooks which stress hierarchical Japanese business customs, such as Diana Rowland, *Japanese Business Etiquette: A Practical Guide to Success with the Japanese*, 1993. Oliver and Wilkinson cited an opinion, 'Faced with the choice of going on the dole or working like the Japanese, the men so far would prefer the dole. It's as simple as that' (N. Oliver and B. Wilkinson, *The Japanization of British Industry: New Developments in the 1990s*, 1992, p. 340).

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- 19 There are about one million local employees working in transnational manufacturing subsidiaries. Hiroyuki Itami, 'The Globalization of Japanese Firms', in Nigel Campbell and Fred Burton, eds, *Japanese Multinationals*, 1994, p. 34.
- 20 JETRO (the Japan External Trade Organisation) reported that the 'localisation' of Japanese transnational companies, which means giving more responsibilities to the local staff members in Japanese transnational companies, is progressing. Nihon Bouekishinkoukai Kaigaijoushouenta- *Zaiou Nikkeikigyou (Seizougyou) No Keiejittai, Dai 10 Kai Jittaichousahoukoku-* (JETRO Overseas Information Centre, *The Practice of Management in Japanese Manufacturing Companies in Europe—the Tenth Report*), 1994. Also see, Carolyn L. Evans, 'Human Resource Management in the Japanese Financial Institution Abroad: The Case of the London Office', *British Journal of Industrial Relations*, vol. 31, no. 3, September, 1993, pp. 347–64; Vladimir Puick, 'The Challenges of Globalization: the Strategic Role of Local Managers in Japanese-owned US Subsidiaries', in Nigel Campbell and Fred Burton, eds, *Japanese Multinationals: Strategies and Management in the Global Kaisha*, 1994, pp. 218–39.
- 21 Schon Beecher and Allan Bird, 'The Best of Both Worlds? Human Resource Management Practice in US-based Japanese Affiliates'; Schon Beechler and Sully Taylor, 'The Transfer of Human Resource Management Systems Overseas: an Exploratory Study of Japanese American Maquiladoras'; Vagelis Dedoussis, 'The Core Workforce—Peripheral Workforce Dichotomy and the Transfer of Japanese Management Practice', in Nigel Campbell and Fred Burton, eds, *Japanese Multinationals: Strategies and Management in the Global Kaisha*, 1994, pp. 125–56, pp. 157–85 and pp. 186–217.
- 22 Statistic Bureau, *Japan Statistical YearBook*, August, 1998.
- 23 Paul Gilroy, *Black Atlantic*, 1993.
- 24 Robin Cohen, *Global Diaspora: An Introduction*, 1997, pp. 159–60.
- 25 Masahiko Aoki, *Information, Incentives, and Bargaining in the Japanese Economy*, 1988; Thomas P. Rohlen, *For Harmony and Strength: Japanese White-Collar Organization in Anthropological Perspective*, 1979 (first published in 1974).
- 26 The relationship between British culture and the decline of its industry has been discussed, for example, in Martin Wiener, *English Culture and the Decline of the Industrial Spirit, 1850–1980*, 1981. This book is widely read in Japan.
- 27 Edward W. Said, *Culture and Imperialism*, 1993, p. xxviii.
- 28 For more on the criticisms of *Nihonjinron*, see P. N. Dale, *The Myth of Japanese Uniqueness*, 1986; Mouer, Ross and Yoshio Sugimoto, *Images of Japanese Society: A Study in the Social Construction of Reality*, 1986.
- 29 Roger Goodman, 'Ideology and Practice in Japan: Towards A Theoretical Approach', in Roger Goodman and Kirsten Refsing, *Ideology and Practice in Modern Japan*, 1992, p. 11.
- 30 Catherine Hall, *White, Male and Middle Class: Explorations in Feminism and History*, 1992.
- 31 Tomoko Hamada, 'Under the Silk Banner: The Japanese Company and its Overseas Managers', in Takie Sugiyama Lebra, ed, *Japanese Social Organization*, 1992.
- 32 Edward W. Said, *Orientalism: Western Conceptions of the Orient*, 1995.
- 33 Kosaku Yoshino, *Cultural Nationalism in Contemporary Japan: A Sociological Enquiry*, 1992, p. 11.
- 34 Steven Kvale has written about the difficulties in interpretation of layered interviews in his article, 'Interpretation of the Qualitative Research Interview', in Florence J. van Zuuren, Frederic J. Wertz and Bep Mook, eds, *Advances in Qualitative Psychology*, 1987.
- 35 One of the most difficult stages of oral history is establishing the context within which an interview has taken place. See Paul Thompson, *The Voice of the Past*,

- 1988, Chapter 9. See also Matthew B.Miles, and A.Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook*, 1994 (2nd edn).
- 36 For this reason the names of companies have been removed from quotations, and I have used pseudonyms for individual informants. In order to hide their identities, some facts have been deliberately changed.
- 37 Benedict Anderson, *Imagined Communities*, 1983.
- 38 Raphael Samuel and Paul Thompson, eds, *The Myths We Live By*, 1990, p. 2. Although initial questions about the reliability of memory were prominent in questioning the use of oral history, since the late 1980s discussions about memories and narratives have asserted that myth, silence and distorted memories can be considered as evidence for examining the process by which people construct their own history; Elizabeth Tonkin, *Narrating Our Past: The Social Construction of Oral History*, 1992.
- 39 Judith Okely and Helen Callaway, *Anthropology and Autobiography*, 1992, p. xi.
- 40 The popular image that the Japanese tend not to talk about themselves is maintained even in an article which discusses oral history. However, interviewing the Japanese outside Japan for this research may have made them more talkative than they would have been in Japan. See Hiroko Tomita and K.D.M.Snell, 'Japanese Oral History and Women's Historiography', *Oral History*, vol. 24, no. 1, 1996, pp. 88–95. The oral history method has great potential for re-writing histories of contemporary Japan.
- 41 The introductory lines are shown in Appendix 3.
- 42 See Appendix 3.
- 43 Stuart Hall, 'Cultural Identity and Diaspora' in Patrick Williams and Laura Chrisman, eds, *Colonial Discourse and Post-colonial Theory: A Reader*, 1993, p. 392.
- 44 For Japanese women's criticisms of Japanese societies in which companies are central, see Mari Osawa, *Kigyō Chūshin Shakai wo Koete: Gendai Nihon wo Gender de Yomu (Beyond the Company-centred Society: Reading Contemporary Japan from Gender Perspectives)*, 1993.

## 2

# AMBITION AND WITHDRAWAL

## Japanese experience in the City

Now, in the late 1990s, the Japanese economy is suffering serious recession, and the huge bad debts of Japanese banks are one of the causes of that recession. The activities in the late 1980s which eventually caused the business failure of Japanese banks were seen as the sunrise of the power of the 'yen' in the international financial market. However, passionate participation in international finance has resulted in serious business losses for Japanese banks. In the City of London—the most vigorous place for international finance businesses—Japanese bankers and financiers took part in investments and speculations in the late 1980s. How did Japanese bankers and financiers talk about their experience of joining the international business in the City of London? Have they expressed their feelings about the business?

The Japanese banks<sup>1</sup> started to participate substantially in international financial business during the early 1970s. At this time, both in Britain and in Japan, drastic changes occurred in finance businesses as a result of changes in the world economy. The City changed in character from a monocultural entity to a multicultural market, becoming more dependent on the Euro-market and on increasing numbers of foreign banks.<sup>2</sup> In Japan, the 1970s were a time of direct foreign investment following recovery from the damage of the Second World War. As a result, Japanese banks began to increase their subsidiary companies in the City.

In the 1980s, as the biggest capital suppliers in the world, the Japanese banks, securities companies and insurance companies participated more enthusiastically in business in the City, following Western banks in not restricting their business to Japanese customers only. However, as newcomers, Japanese financiers had difficulties with their business in the City. The difficulties seemed to be caused by the fact that their purpose in staying in the City was two-fold: first, the aim of their stay was supporting Japanese manufacturing companies, which had started their investment in Europe; second, these Japanese banks participated in the new financial business of syndicated loans, and they were also involved in UK domestic lending in the 1980s. For the former type of business, Japanese banks had to follow Japanese

business customs even though they were outside Japan, but for the latter, Japanese bankers had to learn, adjust to, and enter into City business culture, which was unfamiliar ground for Japanese financiers.

In the early 1990s, following recession in Japan, Japanese financiers in the City became less active and lost the larger portion of their investment. For example, their investment in property turned out to be a failure because of a fall in market prices. This raised questions as to whether or not Japanese financiers could be successful in the City as ‘international bankers’, and whether or not Japanese financiers were bound to adhere to their own Japanese customers in future business strategies. In general, European economists and City bankers were of the opinion that as long as Japanese financiers continued to stick to their own Japanese customers and their business culture, they would not succeed in international financial business, and emulate the success story of Japanese manufacturing industries.

This chapter explores the businesses which Japanese bankers and financiers have joined in the City since the 1970s. As a background to this study, the first section looks at the City, now developed from a mono to a multicultural entity. The second section describes how Japanese financial institutions have developed their business in the City. The third section explores cultural problems of Japanese international financial business in the City, underlining the difficulties for the Japanese and the British in these Japanese financial institutions. Based on interviews, the two different ideas of financial business found in Japan and Britain, respectively, are compared as basic problems of their business.

### **The changing City—from gentlemanly club to multicultural entity**

Despite the emergence of a single European currency, the City of London still remains the most important financial market in Europe, although its character has become more globalised. The City of London was once part of the core of the British Empire and was unrivalled before the First World War. Although Britain had gradually lost its imperial power by the 1970s, the City has not only survived as an international financial centre, but its importance in this arena had increased more than ever by the late 1980s.

Internationalisation of businesses since the late 1980s was not a new phenomenon in the City. The financial centre has long had two faces; one as the domestic centre of British finance, the other as the international financial centre. The City was, historically, at times introverted while at others it was more international. One of the reasons why the City became more international in the 1960s and 1970s was the presence of Euro-dollars. In addition to this, with the encouragement of Margaret Thatcher, who did not like the ‘gentlemanly elements’ of the City,<sup>3</sup> the Conservative government

liberalised the City. Exchange control was abolished in 1979. In 1986, the Big Bang desegregated jobbers and brokers, and stock exchange dealings were subsequently transacted over the telephone and through electronic screens.<sup>4</sup> This financial revolution allowed more foreign banks to come to the City. As a result of deregulation, the flourishing international finance in the City was supported by foreign banks—American banks, European banks, and then Japanese banks.<sup>5</sup> Especially since the 1970s, Japanese banks have taken over the leading position, in terms of quantity, from American banks in the international lending market in London.

After the City became more dependent on foreign capital, the City of London lost its monolithic, gentlemanly character. For example, in the 1980s, the Accepting Houses Committee was changed to a new organisation called the British Merchant Banks and Securities Houses Association, which included foreign securities companies. In addition, the new technology made it easier for foreign financiers to participate and communicate in the City. Once the development of communication had changed City people's means of contact, it began not to be necessary to meet to talk. Telephones, faxes and computers could now substitute for face-to-face meetings, which also made it easier for foreign institutions to join in City business. Economic actors in the City have now become more diversified, including the non-Western banks and investors.

Change in the City took place not only ethnically: the social backgrounds of City workers also changed.<sup>6</sup> There were now more opportunities for young people to join financial institutions in the City. New technology also provided young people with opportunities to gain high salaries as dealers. Furthermore, numerous women who had gained professional jobs began to participate in the male world of merchant banking, though there is still segregation in the workplace according to gender.<sup>7</sup>

In addition to the change in the social profiles of people, the City of London changed geographically, expanding outside the 'Square Mile'. Some financial firms have moved their back-up offices outside the City to avoid high rental costs. Architectural change has occurred in the City. Besides new edifices such as the Lloyd's building, Japanese banks have contributed to the changing appearance of the City. In the 1980s, Japanese financial firms supported redevelopment: for example, the Japanese invested in the Broadgate development,<sup>8</sup> and also invested in the buildings for their financial houses during the late 1980s, though the presence of the Japanese is scarcely noticeable in visual images.

American banks introduced different methods of business culture which made business in the City more competitive. Japanese banks also introduced their own business methods, though it is questionable whether these influenced the business culture of the City. They were criticised in the 1980s for lending money at low interest rates. This led to the BIS regulation, which tried to restrict lending at low interest rates by Japanese banks.<sup>9</sup> The regulation indicates that the Japanese business method of low

interest rates led European and American banks to conclude that Japanese banks do business in 'unfair' ways.

This book analyses the presence of Japanese financial institutions as one aspect of the multiculturalisation of financial business in the City which has occurred since the 1970s. International banking business may be seen as borderless, but, in fact, it is local in terms of ideas of business, ways of communication, the relationships between banks and their customers, and in terms of working lives.

### **The Japanese financial institutions in the City-from borrowers to investors**

The relationship between the City and Japanese banks has reflected the historical relations between the two countries over the last 100 years. When Japan met the West and opened its doors to the country in the late nineteenth century, Japanese banks came to the City. The first Japanese bank in the City, Yokohama Specie Bank (which was later called the Bank of Tokyo, and now Tokyo-Mitsubishi Bank) opened an office in 1881, and it became the first branch of a Japanese bank in the City of London in 1884.<sup>10</sup> The main business of the bank was to finance the export of raw silk and tea which were the main sources of foreign currency for Japan at that time. The bank was also the first overseas branch of a Japanese bank.<sup>11</sup> Since that time, Japanese banks have continued their activities in the City for more than 100 years except for the period during and immediately after the Second World War (1939–52).<sup>12</sup>

As a latecomer among the modern capitalist countries, the Japanese banks raised capital from the City during the first stage of its modernisation and Japan was on the fringe of the areas where the British Empire wanted to invest. In 1889, the Japanese government issued sterling bonds (£10m) in the City for the first time.<sup>13</sup> In January 1902, the British government concluded the Anglo-Japanese Alliance to contain Russian expansion in the East. For the Japanese, the alliance was for the purpose of expanding their power into North China. In 1902, the bank successfully sold ¥50m Japanese government bonds. During the Russo-Japanese War (1904–5), the bank also sold £107m government bonds to finance the war.<sup>14</sup> After this, the Japanese government raised money to develop the Japanese economy before the Second World War. At the beginning of this century, Japan was a country for investment for City business.

Another main reason for Japanese banks staying in the City was to collect business information. For this purpose, three *zaibatsu* banks (Mitsubishi, Mitsu, Sumitomo) opened their branches just after the First World War, and continued their business until 1939.<sup>15</sup> During the Second World War, they were closed, but London branches reopened between 1952 and 1956. While their offices in the City were reopened, the main activity of Japanese banks was still to collect information, and only small numbers of people worked in the branches.

Until the 1960s, the Japanese were not active in the City, because the Japanese economy was in a period of recovery from the Second World War. The country was suffering from lack of capital in the 1950s and the 1960s, and it had to depend on the Bretton Woods system<sup>16</sup> to solve the shortage of capital. The role of Japanese city banks was carefully to deliver limited capital provided by the World Bank to promote industry according to the guidance of the Ministry of Finance. During this period, the purpose of overseas Japanese banks was to look after trading between Japanese and European companies. Japanese banks also supported Japanese manufacturing companies who built factories in Europe.<sup>17</sup> These activities outside Japan on behalf of domestic customers were based on characteristics of the Japanese financial system which promoted long-term relationships between banks and their customers.

The 1960s was also the period during which the Euro-market was established, giving Japanese companies the opportunity to raise capital from the new capital market, thus avoiding the high interest rates involved in lending capital from banks in Japan. The Japanese government itself issued sterling bonds for the first time in 50 years in 1963. The Big Four Japanese houses, namely, Nomura, Daiwa, Nikko and Yamaichi (though Yamaichi closed its business in 1997 and Nikko restructured its business in 1998), opened their offices in the City in 1964 in order to sell Japanese equities and bonds to British investors.<sup>18</sup>

The internationalisation of Japanese banking in the 1970s emerged for several reasons. First of all, there were increasing international pressures. The Nixon Shock in 1971 made the Japanese currency stronger against the US dollar, and the Nixon government stopped the gold convertibility of the US currency. As a result, the Japanese government was able to allow Japanese banks to open overseas branches more freely to lend additional funds from overseas. Table 2.1 shows how rapidly foreign offices of Japanese banks increased in the 1970s, and Table 2.2 illustrates the increasing number of Japanese banks in the City. The Japanese government also liberalised the quantity of direct foreign investment. In 1972, the Ministry of Finance allowed Japanese banks to lend to non-Japanese entities. In consequence, Japanese banks became active in internationally-syndicated loans in the 1970s. According to Düser, between 1970 and 1973, syndicated loans by Japanese banks rapidly increased from \$24m to \$3,000m.<sup>19</sup> For this international lending in the early 1970s, the Ministry of Finance initiated the founding of three joint banks in Paris to gain experience of how to join international syndicated loans.<sup>20</sup>

When the Japanese first started their international lending, they experienced difficulties, the first of which was the first oil crisis. Mr Miyazawa recalled:

It was the hardest time in my experience when the first oil shock happened. In 1974, I was in charge of the dealing in London Branch, and the Japanese banks were not able to lend money in inter-bank loans, because there was the 'Japan Premium', which meant the

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Table 2.1 Opening of new bank offices outside Japan

<i>Year</i>	<i>Branches</i>	<i>Subsidiary companies</i>	<i>Representative offices</i>	<i>Total</i>
1952	7	0	1	8
1953	5	2	1	8
1954	1	0	2	3
1955	1	1	0	2
1956	5	0	2	7
1957	3	0	2	5
1958	0	1	1	2
1959	4	0	0	4
1960	1	0	0	1
1961	1	0	4	5
1962	5	0	2	7
1963	7	0	2	9
1964	1	1	1	3
1965	4	0	0	4
1966	3	0	0	3
1967	2	0	0	2
1968	1	1	1	3
1969	1	0	5	6
1970	0	2	11	13
1971	4	4	23	31
1972	15	5	18	38
1973	10	11	22	43
1974	16	14	18	48
1975	3	0	27	30
1976	6	7	23	36
1977	10	7	12	29
1978	4	10	16	30
1979	5	1	22	28
1980	12	8	24	44
1981	12	7	23	42
1982	8	14	55	77
1983	9	15	42	66
1984	10	16	34	60
1985	14	33	63	110
1986	17	31	36	84
1987	21	18	25	64
1988	26	29	38	93
1989	21	34	35	90
1990	42	17	37	96
1991	31	34	20	85
1992	18	27	11	56
1993	27	14	13	54
Number in December 1994	369	373	356	1098

Source: Ministry of Finance, *Annual Report of the International Finance Bureau*, 1994, pp. 126-7.

interest rate was more expensive for Japanese banks. Therefore, we did not have enough pounds, so we were really afraid that some of the Japanese banks might collapse. If I look back now, the oil shock meant that money moved towards oil countries, but the Japanese government still had to borrow money, and Japanese industry had to buy oil, therefore, we had difficulties in lending money. It was the first experience for us.<sup>21</sup>

The second main reason for coming to the City was regulation within Japan by Article 65 of the Securities and Exchange Law (enacted in 1948), which did not allow the same organisation to handle both banking and securities business, apart from the issuing of and dealing in public bonds inside Japan.<sup>22</sup> Japanese banks rushed to found subsidiary companies in the City in order to operate their securities business outside Japan.<sup>23</sup> Their main securities business was to underwrite the issue of bonds of Japanese companies in the Euro-market. However, because of *sankyoku goui* (consensus between the three Bureaux of the Ministry of Finance, i.e. the Banking Bureau, the Securities Bureau and the Insurance Bureau), these subsidiary companies of Japanese city banks were not able to be leading managers of a syndicated group for underwriting bonds for Japanese companies in the Euro-market. Therefore, they acted with UK merchant banks. The purpose of these joint ventures was to learn about the markets, to join the Euro-market, to attract better investment clients, and to connect Japanese and international investors. However, these joint ventures gradually became 100 per cent Japanese capital companies.

Protected by *sankyoku goui*, the Big Four securities houses had an advantage, compared to the subsidiary brokerage companies of Japanese city banks, in underwriting and issuing bonds in the Euro-market. As a result, Nomura changed their representative office to the London Branch in 1970. In 1972, it became a London Branch of Nomura Europe and expanded throughout Europe. Daiwa took the same path as Nomura. Nikko and Yamaichi also established subsidiary companies in London between 1972 and 1973 and specialised in the underwriting and brokerage business.

Table 2.2 The year of opening of offices in the City of London

1950s	Bank of Tokyo, Mitsubishi Bank, Mitsui Bank, Sumitomo Bank, Fuji Bank, Sanwa Bank
1960s	Tokai Bank, Daiwa Bank, Dai-ichi Kangin, Taiyo-Kobe
1970s	Industrial Bank of Japan, Kyowa, Saitama, Hokkaido-Takushoku, Long-Term Credit Bank of Japan, Nippon Credit Bank, Sumitomo Trust Bank, Yasuda Trust Bank, Mitsubishi Trust Bank, Mitsui Trust Bank, Toyo Trust Bank, Bank of Yokohama,

Source: The Japan Centre of International Finance in London.

Although, internationally-syndicated loans and issuing bonds in the Euro-market were new financial businesses about which Japanese financial firms in the City had to accumulate knowledge, it was also important to look after Japanese manufacturing factories established in Europe and to finance the trading business of Japanese customers. Also, collecting information from the City was still important for the Japanese financiers.

By the 1980s, pressures from outside made Japan increase its cross-border financial transactions. In July 1980, the Ministry of Finance underlined the importance of international banking as an industry in Japan. In December 1980, the Foreign Exchange and Foreign Trade Control Law was revised to update activities across borders. However, a huge trade surplus led to the Plaza Agreement,<sup>24</sup> which corrected the undervaluation of the yen and the overvaluation of the dollar. As a result, the dollar fell rapidly against the yen. In 1985, the Ministry of Finance allowed banks more freedom and flexibility overseas to respond to the rising yen so that the international profit of Japanese banks rose to 15 per cent, though it had been only 10 per cent in the early 1980s.<sup>25</sup> The flow of money was from the oil countries to the developing countries in the 1970s, but after the debt crisis in 1982 the flow of money was from Japan to the US. In the US, the current account deficit was \$130 billion between 1984 and 1988, and Japanese investors continuously bought 40 per cent of US Treasury Bonds.<sup>26</sup> In the late 1980s, the US was the world's largest debtor nation and Japan had become the largest provider of capital.<sup>27</sup>

In parallel, Japanese investors were rapidly involved in the whole range of financial business in the City in the 1980s. A British merchant banker recalled:

Twenty years ago, there was a small number of Japanese financial corporations.... Now they are doing a whole range of activities... This was unthinkable twenty years ago. Now a hundred, not a handful, many banks, either branches or representative offices including regional banks are in the City. The situation has changed very dramatically. The banks are doing banking business very actively here in the London market within the domestic market, not in retail but in corporate business.... So, you've got a huge range of different activities. Twenty years ago, it was unthinkable.<sup>28</sup>

The expansion of Japanese financial institutions is noticeable in terms of the quantity of their business. According to an interview with a Japanese bank manager, at the peak of the boom in the 1980s, they provided a quarter of the assets in the UK.<sup>29</sup> *The Bank of England Quarterly Bulletin* showed that Japanese banks lending to UK residents was 8 per cent in August 1987. In international loans, the Japanese constituted 38 per cent of all lending in 1987. Japanese banks became the biggest capital provider in the late 1980s in the City of London as well as in New York.<sup>30</sup> We can see that the financial relations between the two countries had been changing throughout this

century. Since the early twentieth century, Japanese financial firms had changed from being borrowers of capital to becoming the largest investors in the City.

Not only the quantity of investment, but also the businesses were much more diversified than before. Branches of Japanese city banks in the City were involved in:

- finance for trading;
- lending to Japanese companies in Europe;
- lending to non-Japanese corporations—sovereign loans, non-British organisations, and British companies;
- lending to local councils in the UK;
- merchant banking; mergers and acquisitions, derivatives (swaps and options);
- aerospace finance;
- syndicated loans, and
- project finance.<sup>31</sup>

In addition, currency exchange was also important as a means of profit for the branches.

These expanded businesses were divided into three categories: business with Japanese customers, lending to non-Japanese, and strategic business. According to interviewees, when we looked at business within branches, business with non-Japanese customers in London nowadays is bigger than that with Japanese customers; for example, in one bank the rate was 2:1, and in another bank, 7:3.<sup>32</sup> Nevertheless, although the quantity was not large, it was still important for Japanese banks to look after their Japanese customers in Europe, after Japanese manufacturing companies rushed to set up their factories abroad in the 1980s.<sup>33</sup>

Lending to non-Japanese customers expanded enormously in the 1980s. Sovereign loans declined after the debt crisis in 1982, but Japanese banks were still lending money to southern European and Nordic countries. As for lending to British and European companies, the Japanese banks' share of UK domestic corporate finance doubled between 1977 and 1987. In order to develop new domestic customers, some banks opened representative offices in Manchester and Birmingham in the late 1980s. Despite their aim of expanding customers, Japanese banks preferred to lend to large companies such as those nominated in Footsie. This was criticised by UK customers, but Japanese banks attempted to be 'core banks' for large companies, emphasising 'relationship banking' rather than 'transaction banking'.<sup>34</sup> A Japanese bank manager emphasised that they were telling their local staff that it was important to have long-term relationships, even when they were lending money at low interest. They might not have any profit at the present time but they were thinking of ten years ahead.<sup>35</sup> In other words, despite their intention of being part of

British financial business, they brought from Japan their ideas of what banking business should be.

It was difficult to penetrate large UK companies, and Japanese banks were not patient enough to deal with smaller companies during the recession in the UK.<sup>36</sup> A British senior manager in a Japanese bank said, 'It was a myth that Japanese banks supported customers'.<sup>37</sup> Japanese banks could not uphold the myth that Japanese banks would have long-term relationships with British manufacturing companies. Another British manager commented on the difficulties of their business:

We have no mandate in the UK or Europe. We should therefore be a very junior bank. We only have 200 people in the bank in London. So, everything is against us—in size and position. And people do not trust the Japanese sometimes in business. People fear them and see them as too powerful.<sup>38</sup>

In order to overcome these difficulties, the Japanese conducted these businesses with a very low-cost margin. Therefore, the Bank for International Settlement required Japanese banks to have capital equal to 8 per cent of risk-adjusted assets. This regulation made it difficult for Japanese banks to expand their lending aggressively.

According to interviews, most lending to non-Japanese business turned out to be at a loss. The Japanese banks invested in properties in the UK, and the rapid fall in property prices caused huge bad debts. As for lending to local councils, the Japanese banks thought it was a safe investment, but it resulted in other bad debts.<sup>39</sup> Project finance also resulted in problem loans—notably, 39 Japanese banks provided 23 per cent of the total cost for the Euro-tunnel,<sup>40</sup> which resulted in disastrous business failure. All of these investments, in property, in non-private sectors, and in big projects, were considered as safe transactions according to Japanese ideas. We can see that even when Japanese banks lent to non-Japanese clients, they applied ideas of banking business imported from Japan.

With regard to strategic business, Japanese bankers were not innovative in new financial business such as swaps and options. In addition, as for syndicated loans, Japanese banks had difficulty in becoming leading managers who could gain commissions for arrangements, because they were not part of European business networks. They had to endure being in a junior position. Mr Aoyama commented, 'We are cheap money suppliers, but we are not respected by Western bankers'.<sup>41</sup> As we have seen, Japanese banks were actively participating in business in the City. Their activities were noticed because of the amount of money they supplied, but they were preoccupied by their own ideas of 'financial business' rather than gaining new ideas of financial business in the City.

Not all Japanese business failed in London. In addition to the success of the development in the Broadgate area, Japanese banks were successful in

aerospace finance, using the strength of Japanese banks with their huge trade surpluses in Japan.<sup>42</sup> Again, the success was basically founded on the business networks among Japanese companies. In the Broadgate area, Japanese construction companies had taken the development work and Japanese banks rented the buildings as offices. In aerospace finance, the business was led by Japanese investors. Thus, successful businesses were among Japanese networks and did not go beyond these networks. In general, Japanese banks had difficulties in the 1980s: as a manager of a big commercial bank commented, they did not know how to make a profit in London.<sup>43</sup>

Another reason for Japanese banks being in London was related to the requirement from outside, *gaiatsu*,<sup>44</sup> to open the Tokyo market, led by the American and European bankers and their governments in the 1980s.<sup>45</sup> The Tokyo market had been protected by laws and strong guidance from the Ministry of Finance. The Bank of England disapproved and stated that it ought to be a reciprocal matter to open up the Tokyo market as Japanese banks enjoyed free activities in London. Therefore, gradually, though very slowly, the Japanese government began to open the Tokyo market in respect of the liberalisation of interest rates and the relaxing of the boundaries between banking and securities businesses. However, when the Tokyo market was made more open, Japanese financial firms had to compete with Western banks who have more experience in international money markets. Japanese managers see Tokyo as just a provincial market, even if the scale is big. They said they were learning in London to prepare for free competition in the Tokyo market in the future.

Another reason to stay in London was to realise the national policy of Japan in finance areas. For this reason, in addition to these city banks, some governmental banks such as the Japan Development Bank or the Japan Import and Export Bank were in London to bring government policy into effect. For example, the Japan Development Bank was encouraging British and European companies to export to Japan in order to reduce trade friction, providing cheap and long-term capital from postal deposits.<sup>46</sup> The bank also issued the Japanese government's bond. Another governmental bank, the Export and Import Bank was also lending money in London to British companies and projects. Again, the business very much reflected Japanese views of economic policy.

Securities businesses might have been viewed as more international than banking businesses. Yet, again, the business relationships were confined to Japanese investors and Japanese securities companies. In the 1970s, Japanese companies started to issue bonds through the Euro-market directly without going through their main banks, and this business expanded greatly in the 1980s. Financial companies of trading companies conducted this business in Europe with Japanese securities houses.<sup>47</sup> As a result, underwriting business by the Japanese Big Four securities houses rapidly increased in the 1980s, as Table 2.3 shows. With Japanese investment in the Euro-market increasing

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Table 2.3 Evolution and ranking of international bond underwriting activities between 1986 and 1989 (\$m)

1987		1988		1989	
Bank	\$m	Bank	\$m	Bank	\$m
1 <b>Nomura</b>	<b>18,733</b>	<b>Nomura</b>	<b>17,679</b>	<b>Nomura</b>	<b>31,352</b>
2 <b>Crédit Suisse</b>	9,487	<b>Crédit Suisse</b>	13,895	<b>Daiwa</b>	<b>16,389</b>
3 <b>First Boston</b>		<b>First Boston</b>			
4 <b>Deutsche Bank</b>	8,220	<b>Deutsche Bank</b>	12,230	<b>Yamaichi</b>	<b>16,332</b>
5 <b>Nikko</b>	<b>7,977</b>	<b>Daiwa</b>	<b>9,432</b>	<b>Nikko</b>	<b>15,294</b>
6 <b>Yamaichi</b>	<b>7,249</b>	<b>Yamaichi</b>	<b>7,272</b>	Deutsche Bank	9,746
7 <b>Daiwa</b>	<b>6,895</b>	<b>Nikko</b>	<b>6,867</b>	Crédit Suisse	8,861
				First Boston	
8 Morgan Guaranty	5,059	Bankers Trust	6,022	J.P. Morgan	7,679
9 Morgan Stanley	5,045	Merrill Lynch	5,953	Merrill Lynch	7,256
10 Paribas	4,478	J.P. Morgan	5,603	Morgan Stanley	6,514
		<b>IBJ</b>	<b>5,589</b>	Paribas	6,207

Source: Mitsuo Sakurai, *Yūro Bondo Shijō to Nihon (Euro Bond Markets and Japan)*, Toyo Keizai Shinpō, Tokyo, 1990, p.122.

Names in bold are those of Japanese securities companies.

enormously, as Table 2.4 shows, the other smaller securities companies came to London, and Nomura and the other Big Four houses gained banking licences.<sup>48</sup> The subsidiary companies of securities houses in London expanded their business to buying the British government bonds and the equities of British companies for Japanese investors. A Japanese manager in a Japanese securities house recalled business in the 1980s:

In the 1980s, the businesses diversified into various currencies, various types of products, such as futures, options and swaps. At the same time, Japanese banks developed new areas such as advising mergers and acquisition of companies. The number of customers also increased and we had both Japanese and European investors. At the same time, each subsidiary company in New York, or Europe became more independent, and our business expanded.<sup>49</sup>

Banks also participated in underwriting business using subsidiary companies,<sup>50</sup> but, as in the 1970s, because of *sankyoku goui*, these subsidiary companies had to develop business with non-Japanese clients and depended on local staff, which was not as easy as business with Japanese customers.

Japanese life insurance companies also became big institutional investors in the world of finance. They also opened representative offices, or subsidiary companies in Europe, and they invested in properties and US treasury bonds, which resulted in huge losses. The merit for insurance companies in Europe was low tax, and more information about European business.

## AMBITION AND WITHDRAWAL

*Table 2.4* Japanese banks licensed by the Bank of England according to the Banking Act

Bank of Tokyo International Ltd.	The Hokkaido Takushoku Banks Ltd.
Daiwa Europe Bank plc	The Hokuriku Bank Ltd.
LTCB International Ltd.	The Industrial Bank of Japan Ltd.
The Nikko Bank (UK) plc	The Joyo Bank Ltd.
Nomura Bank International plc	The Long-Term Credit Bank of Japan Ltd.
Sanwa International plc	The Mitsubishi Bank Ltd.
Tokai Bank Europe Ltd.	The Mitsubishi Trust and Banking Corporation
Yamaichi Bank (UK) plc	The Mitsui Trust & Banking Co Ltd.
The Asahi Bank Ltd.	The Nippon Credit Bank Ltd.
The Ashikaga Bank Ltd.	The Norinchukin Bank
The Bank of Fukuoka Ltd.	The Sakura Bank Ltd.
The Bank of Tokyo Ltd.	The Sanwa Bank Ltd.
The Bank of Yokohama Ltd.	The Sumitomo Bank Ltd.
The Chiba Bank Ltd	The Sumitomo Trust & Banking Co Ltd.
The Chuo Trust & Banking Co. Ltd.	The Tokai Bank Ltd.
The Fuji Bank Ltd.	The Toyo Trust & Banking Company, Ltd.
The Hiroshima Bank Ltd.	The Yasuda Trust & Banking Co. Ltd.

However, insurance companies could not use inter-bank loans which were prohibited by *sankyoku goui*. Therefore they had to do business using their own currency, so the exchange rate was decisive. If the yen became expensive they lost profit.<sup>51</sup> The high price of the yen in the late 1980s and early 1990s led to such a loss of profit, and investment started to shrink. In addition, investment in property turned out to be disastrous. Life insurance companies as well as other Japanese financial institutions experienced difficulties in businesses in the City.

In addition, trading companies and big manufacturing companies had their own financial subsidiary companies for issuing bonds and also investing their profits in the capital market. According to the lists of members of the Japanese Chamber of Commerce and Industry in the United Kingdom, for example, there are financial subsidiary companies of Komatsu and Brother, which are both subsidiary companies of Japanese manufacturing companies. Financial arms of credit companies, for example JCB International, also came to the City.<sup>52</sup>

Non-life insurance companies were also active in the 1980s, although in the 1950s and 1960s these companies only sent their representatives to the City to get reinsurance from Lloyd's underwriters through insurance brokers. In the 1960s their main business was to insure the Japanese companies' trading transportation. In the 1970s and 1980s, they expanded their business to insure the buildings and facilities of Japanese direct investment in Europe. Recently, they have also insured new technology, or the environmental cost for Japanese companies in Europe. They have gradually acquired big funds, and have themselves begun to reinsure risks as underwriters, like Lloyd's, in London. However, since the late 1980s, their investments and reinsurance have been

unsuccessful. They have lost a huge amount of investment and they now think it difficult to make a profit in that area. A Japanese manager said that the main profit of Japanese non-life insurance business still comes from premiums on their policies in Japan. So, if the Tokyo market is opened up to insurance business, Japanese insurance companies would be unable to compete with foreign insurance companies who could offer policies with lower premiums.

As we have seen, in the late 1980s, there were various types of Japanese financial institutions coming to the City of London and getting involved in various types of financial business. A Japanese bank manager recalled:

Nowadays the share of Japanese banks in the market has expanded enormously compared with the 1970s. We cannot say it is now easier to do business here, because there are different types of business we have to cover.<sup>53</sup>

In spite of this awareness of the difficulties, Japanese financial firms in London have aggressively attempted to enter various sectors of business in the City, including more profitable areas such as mergers and acquisitions, fund management, derivatives and becoming the leading manager in internationally-syndicated loans.<sup>54</sup>

In February 1992, the Tokyo market crashed and the bubble economy came to an end in Japan. The decline in the stock market was nearly 50 per cent from December 1989. This caused a reduction of the capital of Japanese banks, which meant that they had greater difficulty in pursuing the BIS regulation. Officially, 21 big Japanese banks had bad loans of 13.7 trillion yen at the end of September 1993,<sup>55</sup> but an unofficial estimate puts their bad bonds at three times this figure. The decline in issuing bonds on the Euro-market by Japanese companies caused serious damage to Japanese securities houses in the City. As Table 2.5 shows, the underwriting of the bonds by Japanese securities companies declined rapidly in the 1990s.

Japanese banks felt they had failed in the UK domestic financial market. UK domestic loans and big-project finance such as the Euro-tunnel and Euro-Disney had resulted in bad debts. The fall in property prices also hit Japanese banks. In the 1990s, Japanese financial firms in Europe have become less active in their transactions. The number of Japanese banks in London has declined. Some regional banks have already returned to Japan. Smaller securities companies are known to have been taken over by larger banks in Japan. Some companies made local staff redundant, which shocked British staff who had believed in the myth of lifetime employment in Japanese companies.

There were different responses to the difficulties of doing business in the City. According to an analysis by a Japanese research centre, Japanese banking is to some extent withdrawing from Europe and transferring to Asia.<sup>56</sup> On

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Table 2.5 Bookrunners of all international bonds, 1995 (March 23 1995)

<i>This week</i>	<i>Last week</i>	<i>Lead manager</i>	<i>Amount (\$m)</i>	<i>No. of issues</i>	<i>Share (%)</i>
1	1	Merrill Lynch	8,068.64	38	8.20
2	3	CSFB/Crédit Suisse	6,287.77	36	6.39
3	2	Swiss Bank Corp	6,287.63	40	6.39
4	4	J.P. Morgan	5,570.79	25	5.66
5	5	Deutsche Bank	4,942.36	20	5.02
6	7	Paribas Capital Markets	4,045.74	30	4.11
<b>7</b>	<b>6</b>	<b>Nomura</b>	<b>3,759.57</b>	<b>30</b>	<b>3.82</b>
8	12	Morgan Stanley	3,519.36	23	3.58
<b>9</b>	<b>8</b>	<b>IBJ</b>	<b>3,072.52</b>	<b>11</b>	<b>3.12</b>
10	13	Goldman Sachs	3,048.14	16	3.10
11	9	UBS	2,830.27	18	2.88
12	10	BZW	2,749.18	19	2.79
<b>13</b>	<b>15</b>	<b>Daiwa Europe</b>	<b>2,628.11</b>	<b>18</b>	<b>2.67</b>
14	11	HSBC Markets	2,524.61	14	2.57
15	14	ABN AMRO Bank	2,480.40	16	2.52
16	17	Salomon Brothers	2,333.99	13	2.37
17	18	Lehman Brothers	2,177.99	14	2.21
18	16	Commerzbank	2,162.83	9	2.20
<b>19</b>	<b>19</b>	<b>Nikko</b>	<b>1,912.47</b>	<b>14</b>	<b>1.94</b>
20	20	CCF	1,573.16	4	1.60
21	21	WestLB	1,181.89	3	1.20
<b>22</b>	<b>23</b>	<b>Sanwa Bank</b>	<b>1,090.78</b>	<b>17</b>	<b>1.11</b>
23	22	Société Générale	1,080.18	4	1.10
24	24	CDC	1,011.00	6	1.03
25	–	Rabobank Nederland	931.55	6	0.95

Source: *Euro Week*, no. 395, 24 March 1995.

Names in **bold** are those of Japanese securities companies.

the other hand, some big banks and securities companies are positively preparing for the next expansion. For example, Mitsubishi Bank and the Bank of Tokyo merged in May 1996. The president of Nomura Europe described the company's global strategy. He declared that Nomura Europe would become more free from controls from Tokyo and become more European-based. He also suggested that this global strategy become the model for all overseas Nomura.<sup>57</sup> Larger financial institutions are considering becoming global financial institutions. As Table 2.6 shows, nine out of ten of the largest banks in the world are still Japanese. At the same time, in the City, the Japanese banks are still trying to penetrate UK domestic business.

Japanese investors are now careful about their investment. Life insurance companies are trying to invest in European governments and local authorities, which they consider to be safer clients. They now invest using the yen in order to avoid the uncertainty of the exchange rate, and they choose low-risk business. Fund management was a new area for Japanese banks to expand their business, with the advantage of access to Japanese investors. However, Japanese financiers had not gained enough knowledge of the business.

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Table 2.6 World's top ten banks

	<i>Bank</i>	<i>Nationality</i>	<i>Assets (\$bn)</i>
1	Tokyo Mitsubishi	Japan	819.0
2	Sanwa	Japan	582.2
3	Dai-ichi Kangyo	Japan	581.6
4	Fuji	Japan	571.1
5	Sumitomo	Japan	566.0
6	Sakura	Japan	559.5
7	Deutsche	Germany	503.4
8	Industrial Bank of Japan	Japan	433.3
9	Norinchukin	Japan	429.3
10	Long-Term Credit Bank of Japan	Japan	371.6

Source: *The Economist*, 27 April 1996, p. 6.

Therefore, they were keen to employ skilled local fund managers and to have Japanese fund managers working alongside them. Big non-life insurance companies are now trying to form mutual reinsurance networks in Europe with European insurance companies, though Tokyo head offices consider that business abroad makes a deficit and loses the profit they have gained inside Japan.

Foreign pressure is still an important factor in pushing Japanese financiers to become competitive with Western financiers in the Tokyo market. A British fund manager who had responsibility for investment in Tokyo was very enthusiastic about using Japanese pension funds in Tokyo: for example, postal savings which are now controlled by the Japanese government.<sup>58</sup> In April 1993, the Financial System Reform Act was passed in the Diet in Japan to lessen the boundaries between banking and the securities business. This allowed banks and securities firms to participate in other business segments such as banking, securities and trusts through subsidiaries in which they had a majority equity stake. In July 1993, the Industrial Bank of Japan, the Long-Term Credit Bank of Japan and the No-rinchu-kin Bank founded subsidiary companies in Japan for securities business. In October, the Bank of Tokyo, Nomura Securities, Daiwa Securities, Nikko Securities, and Yamaichi Securities also founded subsidiary companies for trust funds in Japan. In November, the Sumitomo Trust Bank and the Mitsubishi Trust Bank founded subsidiary companies for the securities business.<sup>59</sup> Japanese bankers prepared to open the Tokyo market and sought to strengthen Japanese financial firms in order to compete with Anglo-American and other European financiers.

Despite these efforts, Japanese banks in the late 1990s are now suffering through their huge debts, and Yamaichi have gone out of business, while Nikko Securities decided to carry out their investment business on their own and to team up with an American investment bank. There are now differences between the larger banks, almost all of which came to London, which have developed all kinds of businesses and specialised banks that have chosen

businesses which they believe can be advantageous. In other words, larger banks merged and are trying to become 'global' banks, and smaller or regional financial firms are specialising their business within Japan. In the late 1980s, Japanese bankers and financiers thought it time that all Japanese financial firms had branches in major financial centres such as the City of London and Wall Street in order to internationalise their businesses. The Japanese financial system is now being restructured.

### Cultural barriers in business practice

In spite of the observable presence of Japanese banks in the late 1980s, Japanese bankers remained something of a mystery in the eyes of City bankers. How have Japanese financiers been viewed in the City? How did Japanese bankers perceive their business in the City? As we have seen in the previous section, although Japanese bankers and financiers participated passionately in business in the City and contributed to the financial world in terms of quantity, if we look at the quality of their business, they were less successful than their image suggested. A British senior manager commented:

I'm not sure if the Japanese have been successful in this financial field generally. They have been very successful internationally in manufacturing, but I don't think the existing system would allow success in the future... Yes, I have to say this, though I don't want necessarily to criticise the Japanese. Japanese bankers have made disastrous decisions. Japanese financial systems have been disastrous over the last five years. If you look at the amount of money they lent in Japan, that has been lost. They made mistakes like that. They made enormous mistakes abroad. Lending to the wrong people, lending money on bad investments. Paying for too many things, getting involved in things they haven't quite understood, which have gone wrong. This cost a lot of money.<sup>60</sup>

The difficulty for Japanese managers was, first of all, that they were strangers to Western bankers, even in the 1980s. Their business behaviour was seen as peculiar by Western bankers, as the next extract from a book on the financial business in the 1980s indicates:

There was always something cryptic in their methods. The phone would ring at your desk and on the other end of the line would be Mr Yamamoto, whom you had seen off the previous night in a drunken haze, asking: '*How Now Rong Bond?*' This was the Japanese way of asking for the price of thirty-year US government bonds.

'Ninety-six bid,' you'd say.

'I buy \$100 million', he'd say, then hang up. A friend for life.<sup>61</sup>

In this example, the Japanese dealer is depicted as one who cannot pronounce the word 'long' properly. It is common among Japanese to pronounce 'l' as 'r'. In addition, probably because of limited English, he stopped speaking without proper goodbyes. His English and his manners on the phone were unsuitable for communicating with Anglo-American bankers. He was a stranger to this author. Furthermore, Japanese bankers were not only strangers seen through Western bankers' eyes: they were in practice isolated from Anglo-American business networks:

They, partly because it's the Japanese way, do not want to be different. They would like to do the same thing. Partly, I think, because the markets have been rather strange and unfamiliar to them. And, therefore, they were a bit like a herd of cattle. They wanted to stick together. So, they've done all things together.<sup>62</sup>

This merchant banker also pointed out that Japanese bankers failed to create the world-wide networks that British bankers had established. The Japanese inclination to stick together among themselves was also recognised by their local staff:

We have to be seen as good as, if not better than, the bank which came from the same region in Japan... We have not lost as much money as some of the American banks, (because)...we do business with a daughter company, or cousin Japanese company.<sup>63</sup>

Japanese financial firms were then the biggest foreign investors in the City. However, Duser commented that Japanese banks played a minor part in the international financial market and were not strong in the on-shore market. He pointed out that Japanese banks had few opportunities to develop new financial business because of their strong relations with Japanese companies.<sup>64</sup> The expansion of their business had been dependent on the expansion of Japanese manufacturing industry and the surplus of their export. Bill Emmott also pointed out that Japanese securities companies issued bonds only for Japanese companies and sold them only to Japanese investors in the Euro-market.<sup>65</sup> It can be said that Japanese financial business was segregated from international, or non-Japanese business. Duser suggested that if Japanese banks want to be successful they will have to become more localised.<sup>66</sup> It is questionable whether Japanese banks will become more international or will choose to strengthen their connections with Japanese companies.<sup>67</sup>

However, British City commentators judge that it would be very difficult to globalise the Japanese securities business. A merchant banker, who helped Japanese companies in the Euro-market in the 1980s, said it was good that the Japanese were not keen to invest in Europe now. According to him, once the Japanese had decided to buy, they bought even if it had become a bad buy. So the Japanese repeatedly lost their investment.<sup>68</sup> Another British merchant banker said that global business must be based on the global

networks of banking specialists, but that the Japanese always make their decisions in their head offices in Tokyo. Therefore, they cannot do their transactions in time. He thinks that this is a decisive defect of Japanese international business.<sup>69</sup> Other City commentators said that Japanese banks bought non-fixed repayment bonds all at the same time, which inevitably caused the price to fall.<sup>70</sup> A Japanese woman, who worked for an American investment bank and sold bad property bonds to Japanese investors, told me that the Japanese had such huge reserves in the late 1980s that they had to invest money in the City with insufficient knowledge. The Japanese were then sold bad bonds by the Americans. She commented that Japanese financiers were ‘fools’ during the boom in the 1980s.<sup>71</sup>

Why did Japanese bankers and financiers not learn from the City bankers? Apart from the fact that decision-making was done in Tokyo, they had different ideas about finance. The financial system in Japan is different from that of Britain. Japanese banks have close relationships between banks and other companies and they form *kigyōshūdan*, or companies’ groups.<sup>72</sup> Each group contains one city bank, one trust bank, one life insurance company, one casualty insurance company, one trading company, plus manufacturing companies. One of the most characteristic features of *kigyōshūdan* is cross-shareholdings, which bind the companies very closely into a group. This system arose after the dissolution of the *zaibatsu* group to protect against a take-over. The groups also have regular presidential meetings, exchanging board members. A bank is usually the largest lender to companies in a group. In addition to this, the Ministry of Finance’s guidance is strong, and the close ties between the Ministry of Finance and banks are called *gosōendan hōshiki*, in other words, armed convoys. A core bank of each group is called a ‘main bank’. Although there is now discussion about whether or not the *kigyōshūdan* system is declining, the ideology of relationships between banks and manufacturing companies is still strong among bankers.<sup>73</sup> The fact that Japanese companies have raised money from capital markets without going to their banks is an indication that the relationship between banking and manufacturing industry has become weaker, but the old ideology of the Japanese financial system remains unchanged and persists in these Japanese bankers’ ideas, which are regarded critically by local staff and City bankers alike.

In contrast to the ideology of Japanese financiers, American and British financial institutions have influence as investors or fund managers on other companies. British financial firms in the 1960s and 1970s have been criticised by British left-wingers for being more interested in short-term profit than in supplying long-term credit for domestic manufacturing industry.<sup>74</sup> On the other hand, British financiers are proud of their financial skills: making international connections, quick decisions by individual managers, high risk and high return, and so on. Mr Chambers, a senior manager in a Japanese bank said, ‘The Japanese do not know what “finance for finance” is. I do not understand why they are here and what they are wanting.’<sup>75</sup> On the other

hand, Japanese bankers say that banking business should support the production of goods, and the whole society. Therefore, for Japanese banking managers, long-term relationships with customers, and supporting manufacturing industry is more important than pursuing profit. However, international banking business by Japanese institutions is seen as unskilled by British and American financiers. Japanese financial firms have come to the City of London and Europe with different ideas of finance from those of City financiers.

Although Japanese financial firms had different methods of business, the Japanese government suggested in 1980, as we have seen, that the internationalisation of Japanese business was necessary for the future. In fact, Japanese banks have been important members of international syndicated loans and the Euro-market since the 1970s. However, Japanese financial institutions have been considered important only as money suppliers, and it is questionable whether they could become more 'international' as financiers and bankers in the City.

### **Japanese responses to the criticisms in the interviews**

Having experienced such difficulties in the City as newcomers, how were Japanese bankers and financiers viewed in their business experiences and global strategies? They have been looked on as 'Others'. How do the Japanese respond to these Western criticisms in their subjective views? Their views differed according to whether they worked for banks or securities companies, according to age and their responsibilities in the City. Bank managers were stuck more to the image of the Japanese post-war banking system; in other words, the main bank system. Older generations also recalled the period when the main bank system worked well. Managers in securities companies were less nostalgic about the post-war system in Japan. Younger generations see the City as a function rather than viewing it as a symbol of the Western banking system. Their responses are categorised into three types overall.

#### *Type 1: Learning from the West*

The first kind of response was that the Japanese should learn from Western business:

The Japanese have to adjust to London or New York. New York is an originator of new products, but Tokyo is far behind in terms of new products. I have a lot to learn in London, and New York.<sup>76</sup>

Their sense of learning was emphasised as a cultural tradition of the Japanese. Japanese bank managers were proud of their attitude towards learning.

Our attitude is to learn from others. This is our tradition from the Meiji Restoration.... If we are considering only the size of assets, Japanese banks are big, and maybe nine out of ten of the largest banks in the world are Japanese. The Japanese economy has now expanded incredibly, which is also due to the currency exchange rate. Now, Japanese banks are very big in terms of quantity. However, if we look at quality, they are less profitable.... This means a narrower profit margin and a larger sales volume. As for financial skills, or the development of new banking business, Japanese banks are not excellent and not respected. We are still at the learning stage. We are running after Western banks.<sup>77</sup>

This manager contrasted Japanese and Western banks using the catch-phrase *datsua-nyūō*, which means that Japan has to join the Western world by ridding itself of being an Asian country, by catching up with Western technology and skills. He has a world map on which the West is in an advanced position. In his opinion it is important for Japanese bankers to learn and to imitate Western business styles in order to adjust to business in the City. This type of manager thinks that Japanese banking cannot survive without changing its business methods and customers. According to such managers, international business is essential for survival following the rapid growth in post-war Japan:

In the 1970s business became much more difficult. Economic growth rates were low. And interest rates were deregulated, so business became more competitive. In the 1970s and the early 1980s, syndicated loans such as sovereign loans were our main business. In the 1980s, we began to do business with local companies, and we were involved in project finance.<sup>78</sup>

He described the development of Japanese finance as that of international finance businesses. Another bank manager clearly stated that the post-war economy, which depended on manufacturing industry, was changing:

Japanese banks were cheap money suppliers. But I think that period has finished. If we are still just cheap money suppliers, we cannot survive when the Japanese economy loses its power. We have to create innovative power. I think we are still behind. Japanese banks have to be more competitive with blue-chip banks in the City. We do not need to overwhelm them, but my task is to lead Japanese banks to be competitive. That's also the task of all Japanese banks. We have an advantage as Japanese. We have good human resources training, and long-term investment views. We think relationships with customers are important. We are different from short-run, deal-oriented American banks, different from managers who gain a big bonus and leave companies.<sup>79</sup>

In his way of looking at things, he still emphasised Japanese ideas of business as a means of creating innovative ideas to penetrate City business. They are trying to enter the core of the international finance business by learning new skills and new knowledge, and they perceive this is exactly the tradition of Japanese business.

*Type 2: Aggressive perseverance of Japanese ways in the City*

However, the second type of response showed sentiments different from those expressed by the first type of manager. They claimed that the City is not a place of business dominated by English business culture.

The City, now, only has its own tradition and past legacy. The City will survive, but British houses will not remain at all. Most of them are now being taken over or becoming weak. There are many English merchant banks, but now they are called ‘museums’... They are not innovative and not in the forefront of knowledge and skills needed at the frontier. The City is extremely valuable, but English houses are declining in the long run. In reality, there are American houses, Japanese and continental banks in the City....<sup>80</sup>

For these Japanese managers, the City of London is nowadays a multicultural entity dispossessed by the British bankers, and the Japanese are contributing to the City by their own business methods. For example, a young female Japanese manager said, ‘I have no feeling about the City. The City is an inhuman place and just a function for money trading’.<sup>81</sup> A senior manager also asserted that Japanese banks had contributed to the City in terms of quantity of assets, and in terms of Japanese business methods, i.e. long-term relationships with low interest rates, and that therefore Japanese banks should be respected. He talked about the strategies of Japanese banks. According to him, there would only be two or three Japanese banks which will survive as ‘global banks’; therefore, other banks will return to Japan. As the 1990s are a hard time for Japanese banks, so now, he said, is the time for investing for the next stage of growth.

Their attitudes may be seen as arrogant in that they say they already have power in international finance businesses in terms of quantity of capital. For them, it is not time for the Japanese to learn from the West and follow their ideas; it is time for Japanese financiers to contribute and to compete as a power equal to the West.

*Type 3: Withdrawal to the Japanese economy*

A withdrawal from the City was the third response. A Japanese manager who was dealing with bad debts in the City remarked:

## AMBITION AND WITHDRAWAL

The financial business should be based on manufacturing industry. It is important to improve on new financial skills, but I do not think it is good to sell and to buy bonds too much.<sup>82</sup>

These Japanese managers are critical of business in the City and look back regretfully at the banking system in Japan during the post-war period. These people are not enthusiastic about getting further involved with the business of international finance which had caused troubled loans for Japanese banks. Even Japanese investors, who are finding opportunities for investment in Europe said:

Japanese companies only have an advantage within Japan. There are no advantages away from Japan. It is impossible for our company to have a better reputation in Britain than in Japan. It is certain that the foundation of business for Japanese companies must be within Japan.<sup>83</sup>

Japanese managers of this type think that as long as the Japanese economy is fine they can survive in Japanese networks without joining Western networks. As to competition with American and European banks, a manager in a securities house commented:

When we dealt with Japanese customers, they trusted us to look after them always. We had high liabilities with them. When they issued bonds they trusted the big Japanese securities houses. When Japanese investors bought US treasury bonds, they trusted us.<sup>84</sup>

Bankers in *zaibatsu* banks also said that dealing abroad was only 10 or 15 per cent of their total business, so business in Europe was not as important as that within Japan. In general, the global strategies of Japanese financial firms are centred in Tokyo. Even new financial businessmen see Tokyo as the centre for their global expansion. However, the Tokyo market has not internationalised rapidly because of regulation by the government. A senior manager in a securities company said:

The Japanese company's system is not conducive to innovation. I think the strategies will differ according to each company's decision. Some companies will stick to Japan, and others will expand globally, but the base is in Japan.<sup>85</sup>

In the 1980s, Japanese investors bought US treasury bonds, and the rapid rise of the yen caused a huge deficit for Japanese investors. Therefore, they want to invest in the yen. So, we can sell products through the Tokyo head offices. As long as Japanese investors are the main customers, we will not leave Japanese ways

of business. Even foreign banks have employed the Japanese who previously worked together with us. We can gain information from these Japanese who are now working in foreign banks. As long as we deal with Japanese products, we have merit. We can explain the Japanese political and historical situation to foreign investors.<sup>86</sup>

This type of manager keeps strong ethnic identities and business networks among the Japanese. For them, it is enough if they can protect themselves and it is too dangerous to expand their business abroad. The Japanese, according to them, can have an independent economic area on their own.

These three types of narrative illustrate different views of their future business strategies in the City. However, if we look at the quotations, we can see there are some common feelings running through them. All of these Japanese managers expressed difficulties in communicating with and penetrating the Western financial business world.

This difficult situation made these Japanese financiers think that they were in essence 'Japanese'. The Japanese financiers emphasised their cultural identities to explain the difficulties they had encountered while conducting their business in the City. They are creating an 'imagined community'<sup>87</sup> of Japan, which is 'unique' and whose cultural values are incompatible with Western values. They said that Japanese society has different values, a different life style, a different work ethic and a different business culture.

These Japanese bankers and financiers involved in business in the City of London are caught between two business cultures; one British, the other Japanese. The Japanese bankers can be criticised for their behaviour towards, and poor communication skills with, Western business culture. Yet it is impossible to separate their cultural identities from their business activities. The Japanese may remain in the City, but unless they either change their cultural identities, or Western business people change their way of looking at Japanese bankers, the Japanese financiers will be the 'Others' for ever.

International banking business has an image of being borderless by dint of the newest technology. However, the new international finance business is very culturally bound up with national interests. In fact, economic activities are based on emotional views. The Japanese financiers look at their business from the point of view of their own cultural identity. Their activities are supported by their motivation. Both Japanese and British bankers are looking at each other from their own perspectives. British bankers are looking at the Tokyo market which is still protected by the linkage of the government with financial firms. Western bankers are trying to push the Japanese government to open up the Japanese market. However, Japanese bankers look at London as an international market where they want to compete with Western bankers, and envisage the day when they will open up the domestic Tokyo market.

As we have seen, the City has changed its character dramatically since the 1970s. There are still images of the City as an English entity, but it has been

important for the City to attract these foreign houses in order to continue to be the centre of the Euro-markets. Because of these factors, since the 1970s, Japanese banks and other financial institutions have developed their business using their trade surplus. They were especially active in the late 1980s in various activities, but their investments resulted in bad debts. This caused some Japanese financiers to withdraw.

City bankers and European economists analysed the problems which the Japanese experienced in terms of cultural problems. They concluded that the reasons for failure were, first, that the Japanese did not trust their local staff and controlled their business from Tokyo head offices; and second, that they would only deal with Japanese clients.

Japanese bankers admitted the difficulties that they experienced in their business in the City. Although bigger institutions remain enthusiastic to encroach further, the perceptions of individual Japanese members of international financial business are various. Some think that they have themselves to be 'internationalised' and to learn from the West, but others think they must stick to their own business culture and to their own customers within Japan. Both types of managers highlighted cultural barriers in doing business in the City, and from their viewpoint, the City bankers continued to regard the Japanese as 'Others'.

International financial business may be considered as one of the most borderless of all businesses, but in fact the stories of these financiers' experiences tell us that international financial business continues to be culturally bound in late capitalism. However, to sum up, the existence of different ideas of financial business suggests that the City of London is no longer a monocultural British entity, but a multicultural place with plural values in business.

## Notes

- 1 According to Suzuki, there are seven different types of Japanese banks: 1) commercial banks for short-term finance; 2) long-term credit banks and trust banks for long-term credit; 3) a specialised foreign exchange bank and finance for trading, the Bank of Tokyo; 4) *sogo* banks and *shinkin* banks for small business; 5) the financial institution for agriculture, the No-rinchukin Bank; 6) securities companies which are considered different from banks in Japan; 7) government financial institutions such as the Japan Development Bank and the Export and Import Bank of Japan. Yoshio Suzuki, ed, *The Japanese Financial System*, 1987, p. 163. In addition, the Central Bank (the Bank of Japan) also has a London office. This research also included financiers in life insurance, non-life insurance, and other financial companies, since Japanese managers of all of these firms have networks in the City.
- 2 For the changing culture of the City, see Paul Thompson and Cathy Courtney, *City Lives: Changing Voice of British Finance*, 1996; Paul Thompson, 'The Pyrrhic Victory of Gentlemanly Capitalism: The Financial Elite of the City of London 1945-90', *Journal of Contemporary History*, vol. 32(3), 1997, pp. 283-304.

- 3 P.J.Cain and A.G.Hopkins, *British Imperialism: Crisis and Deconstruction 1914–90*, 1993, pp. 291–6. It is questionable whether or not the City has ‘survived’ the financial revolution. There is criticism of the policy of the Thatcher government. See Jerry Coakley and Laurence Harris, ‘Financial Globalisation and Deregulation’, in Jonathan Michie, ed, *The Economic Legacy 1979–92*, 1992, pp. 37–57.
- 4 For financial revolution in the 1980s, see Adrean Hamilton, *The Financial Revolution*, 1986.
- 5 Jerry Coakley, ‘London as an International Financial Centre’, in Leslie Budd and Sam Whimster, eds, *Global Finance and Urban Living: A Study of Metropolitan Change*, 1992, pp. 73–95. However, it is questionable whether internationalisation which invited foreign banks encouraged competitiveness. Jerry Coakley and Laurence Harris, ‘Financial Globalisation and Deregulation’, in Jonathan Michie ed, *The Economic Legacy, 1979–92*, 1992, pp. 45–9. Coakley and Harris argued that foreign banks coming to London did not encourage the competitiveness of the City of London.
- 6 Sam Whimster, ‘Yuppies: A Keyword of the 1980s’, in Leslie Budd and Sam Whimster, eds, *Global Finance and Urban Living: A Study of Metropolitan Change*, London, Routledge, 1992, pp. 312–32.
- 7 Linda McDowell, *Capita; Culture: Gender at Work in the City*, 1997.
- 8 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, p. 121.
- 9 In 1987, Bank for International Settlements, which functions as a central bank for all the central banks in the world, required every bank to have 8 per cent of assets as capital by 1992.
- 10 The Bank of Tokyo merged with Mitsubishi Bank in May 1996.
- 11 Source: Japan Centre of International Finance in London.
- 12 The Bank of Tokyo reopened its office in 1952, which was the first branch of any Japanese banks in the City after the Second World War.
- 13 Source: Japan Centre of International Finance in London.
- 14 *Ibid.* In an interview, a Japanese manager described how his great-grandfather had issued government bonds for the war.
- 15 ‘Japanese Banks in London’, *Bank of England Quarterly Bulletin*, November, 1987, p. 518.
- 16 In July 1944, there was a conference (the official title was the United Nations Monetary and Financial Conference) at Bretton Woods in New Hampshire, USA. The conference discussed the post-war organisation of international monetary relations, and decided to establish the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund (IMF).
- 17 The first factory of a Japanese company in Europe was YKK which was built in the UK in 1966. Gabriel Hawawini and Michael Schill, ‘The Japanese Presence in the European Financial Service Sector: Historic Perspective and Future Prospects’, presented at the Japanese Direct Investment in a Unifying Europe: Impacts on Japan and the European Community Conference, INSEAD Euro-Asia Centre Fontainbleau, 26–27 June 1992, p. 5.
- 18 Interview 79, with a locally hired Japanese male manager (at a securities company), in his 50s, interviewed in London in 1994.
- 19 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, p.94.
- 20 The Ministry of Finance supported three groups of banks as pilot firms. The branches of these banks concentrated on business supporting trading, and these joint banks were involved in syndicated loans to the Third World and helping Japanese manufacturing companies abroad (Interview 81).

- 21 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1994.
- 22 This is similar to the Glass-Steagal Act of 1933 in the USA.
- 23 The Banks of Tokyo, Sanwa, Sumitomo, Fuji, Mitsui, Tokai, Dai-ichi Kangin, The Industrial Bank of Japan and The Long-Term Credit Bank of Japan founded their securities subsidiary companies.
- 24 A meeting was held at the Plaza Hotel in New York in September 1985 by the *Group of Five*—the USA, the UK, Japan, France and Germany—to establish international currency stability.
- 25 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, p. 100.
- 26 Bill Emmott, *Japan's Global Reach*, 1993, p. 146.
- 27 Richard M.Levich, 'Introduction and overviews' in R.Sato, R.M.Levich and Rama V.Ramachandram, eds, *Japan, Europe and International Financial Markets*, 1994, p. 2.
- 28 Interview 42, with a British merchant banker, interviewed in London in 1994.
- 29 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 30 'Japanese Banks in London', *Bank of England Quarterly Bulletin*, November, 1987, pp. 518–24.
- 31 Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten: Kinyu Saizensen no Jjitsuzo (The London Branches of Japanese Banks: Practice in the Forefront of Finance)*, 1992, pp. 45–120.
- 32 Interview 44, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994; Interview 84, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 33 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, p. 12. For example, Nissan opened their factory in 1984. The reasons why these companies founded factories in Europe were to avoid high labour costs inside Japan, the strength of the yen, and difficulties in export.
- 34 Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten: Kinyu Saizensen no Jitsuzo (The London Branches of Japanese Banks: Practice in the Forefront of Finance)*, 1992, p. 51. 'Relationship banking' is a method of banking which focuses on long-term relationships between borrowers and banks rather than pursuing short-term profit. Japanese bankers think this brings more profit to the bank in the long run.
- 35 Interview without recording, with a senior Japanese male manager, in his 50s, in 1995.
- 36 Interview 41, with a City specialist on Japanese business.
- 37 Interview 44, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 38 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 39 Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten: Kinyu Saizensen no Jitsuzo (The London Branches of Japanese Banks: Practice in the Forefront of Finance)*, 1992, pp. 66–7.
- 40 *Ibid.*, pp. 144–7.
- 41 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 42 In aerospace financing, airlines in Europe bought aeroplanes from the makers, sold them to lease companies which were mainly Japanese and borrowed them again from the leasing companies. The leasing companies sold bonds to other

smaller investors. Normally, the makers were American and British. The aerospace team in Japanese companies connected a maker, a buyer, and investors. These new businesses in Japanese banks were all intended to reduce the huge surplus in Japan in the late 1980s. Aerospace finance was a successful financial business for Japanese banks. At first sight, it looks as if it was a non-Japanese business. Yet, the investors were Japanese and the final decisions for the transactions were decided in their Tokyo head offices. And the Japanese preferred to lend aeroplanes to big national flag carriers.

- 43 Interview 16, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 44 For *gaiatsu* (foreign pressures) on Japanese financial markets, see J. Robert Brown, Jr., *Opening Japan's Financial Markets*, 1994.
- 45 Interview 39, with a Japanese male manager (at a non-life insurance company), in his 40s, interviewed in London in 1994.
- 46 Postal deposit comprised the largest savings by individual depositors in Japan. Its management is controlled by the government. It was a great advantage for post-war Japan to control its limited capital to encourage targeted industries.
- 47 In this area, European investment banks and British banks could not become leading underwriters. A manager in a British merchant bank said non-Japanese investment banks could underwrite only a few per cent when Japanese companies issued bonds. He said there were strong barriers to non-Japanese investment banks.
- 48 Although there were about 100 banks, securities companies and insurance companies, only 36 gained authorisation from the Bank of England according to The Banking Act 1987: The Banking Coordination (Second Council Directive) Regulations 1992. Although many banks rushed to come to London, these banks were authorised by the Bank of England to accept deposits in the UK. Other Japanese banks, which were not authorised by the Bank of England and could not accept deposits, had limits on their business.
- 49 Interview 79, with a locally hired Japanese male manager (at a securities company), in his 50s, interviewed in London in 1994.
- 50 In the 1980s, six commercial banks (Daiwa, Mitsubishi, Taiyo-Kobe, Saitama, Kyowa, Hokkaido-takushoku), six trust banks (Sumitomo, Yasuda, Toyo, Mitsui, Mitsubishi, Chuo), one long-term bank (Nihon Saiken ginko), and No rinchukin, founded subsidiary companies in London.
- 51 For example, if \$1=100 yen, and the interest was 6 per cent, the Japanese could expect 106 yen as a return, but when the yen fell to 90 yen, they could only get 95 yen. Therefore, they had lost 5 yen. The rise of the yen caused problems for Japanese institutional investors.
- 52 Sarah Fairbairn, ed, *Japanese Business in the United Kingdom*, 1993.
- 53 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 54 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 55 'The Banks Feel the Pain', *The Banker*, January, 1994, p. 49.
- 56 Minoru Nakamura and Haluhiro Tsutsui (Nomura Research Institute), 'Diversification of International Strategies into Three in the 1990s: How Much Should Localisation be Advanced', *Kimū Zaisei Jijō (Financial Affairs)*, 1 June, 1992, pp. 26-34.
- 57 'Taking Japan out of Nomura International', *Financial Times*, 14 April, 1994, p. 30.
- 58 Interview 57, with a British fund manager specialising in Japanese business interviewed in London in 1994. A postal savings investment system is operated

- by the Postal Saving Bureau, under which deposits up to 3 million yen had been free of tax. The tax-free advantage was abolished in 1988, but by then there were some 300 million deposits valued at 286 trillion yen, mostly held in ten-year deposits. The postal savings system is still important for individuals' deposits, and the capital is used for long-term lending.
- 59 'The Banks Feel the Pain', *The Banker*, January, 1994, pp. 52–5.
- 60 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 61 Michael Lewes, *Money Culture*, 1989, p. 183.
- 62 Interview 42, with a British merchant banker interviewed in London in 1994.
- 63 Interview 58, with a British female manager (at a branch of a bank), in her 30s, interviewed in London in 1994.
- 64 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, pp. 137–8.
- 65 Bill Emmott, *Japan's Global Reach: The Influences, Strategies and Weakness of Japan's Multinational Companies*, 1992, pp. 151–60.
- 66 J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990, p. 139.
- 67 Gabriel Hawawini and Michael Schill, 'The Japanese Presence in the European Financial Service Sector: Historic Perspective and Future Prospects', presented at the Japanese Direct Investment in a Unifying Europe: Impacts on Japan and the European Community Conference, INSEAD Euro-Asia Centre Fontainebleau, 26–7 June 1992.
- 68 Interview 76, with a British merchant banker, interviewed in London in 1994.
- 69 Interview 42, with a British merchant banker, interviewed in London in 1994.
- 70 Interviews 40, 41, with City specialists on Japanese business.
- 71 Interview 45, a locally hired Japanese woman, who later moved to an American investment bank, in her 40s, interviewed in London in 1994.
- 72 There are 6 big *kigyoshūdan*: Mitsubishi, Mitsui, Sumitomo, Fuyō (Fuji Group), Sanwa and Daiichikangin groups. They originated from the *zaibatsu* group before the Second World War.
- 73 Takeo Hoshi, 'The Economic Role of Corporate Grouping and the Main Bank System', in Masahiko Aoki and Ronald Dore, *The Japanese Firm: The Sources of Competitive Strength*, 1994, pp. 285–309.
- 74 For criticisms of the City from the left wing, see, for example, Anthony Hilton, *City within a State: A Portrait of Britain's Financial World*, 1987.
- 75 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 76 Interview 85, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 77 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 78 Interview 84, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 79 Interview 85, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 80 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 81 Interview 11, with a Japanese female manager (at a subsidiary company of a bank), in her 20s, interviewed in London in 1992.
- 82 Interview 81, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.

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- 83 Interview 80, with a Japanese male manager (at an insurance company), in his 40s, interviewed in London in 1995.
- 84 Interview 91, with a Japanese male manager (at a securities company), in his 50s, interviewed in London in 1995.
- 85 Interview 83, with a British merchant banker, interviewed in London in 1995.
- 86 Interview 86, with a Japanese male manager (at a securities company), in his 50s, interviewed in London in 1995.
- 87 Benedict Anderson, *Imagined Communities, Reflections on the Origin and Spread of Nationalism*, 1983.

### 3

## THE JAPANESE FINANCIAL COMMUNITY AND ITS PEOPLE

Ethnicity is the sense of belonging to a group who share the same cultural heritages, language and values. In each ethnic community, there are people who strongly hold to their ethnic identity, and others who, having a less strong sense of ethnicity, more readily mingle with the host community. In the Japanese transnational community in the City, there are complex relational maps of ethnic identities of different groups. People living in the core of each community, British merchant bankers in the financial community of the City of London, Japanese expatriate managers in the Japanese business community within the City, have a strong sense of their ethnicity. The sense of ethnicity is considered to be based on what kind of culture they have or to which cultural group they belong. The cultural identities of the interviewees—especially the Japanese respondents—are shaped by the relationships between Japanese expatriates and settlers, and the location of interviewees in Europe and their relationship with Japanese society. In this chapter, the outlook of the Japanese financial business community and its different groups of people there are investigated.

### **Outlook of the Japanese business community in the City**

The number of Japanese in the UK who were registered at the Japanese Embassy in London, including all family members, on the 1st of October 1992 was 54,415 (male 26,803; female 27,612). Their purpose of stay is classified in Table 3.1.

This table shows that about 60 per cent of Japanese people in the UK were company staff and family. Numerically, students came next. There are very few self-employed and permanent residents in the UK.<sup>1</sup> I therefore concluded that the Japanese community is centred around large companies and government and people belonging to these organisations.<sup>2</sup>

According to the survey by the Japan External Trade Organisation (JETRO) in London, most Japanese manufacturing companies in Europe are in the UK<sup>3</sup> because the English language is relatively familiar to the Japanese compared with other European languages. In addition to this, the Thatcher

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Table 3.1 Japanese people in the UK

	<i>Employees and students</i>		<i>Dependants</i>		<i>Total</i>
	<i>M</i>	<i>F</i>	<i>M</i>	<i>F</i>	
Private company staff	12,024	566	5,646	14,192	32,428
Journalists	151	23	88	215	477
Self-employed	153	49	45	140	387
Students, researchers, teachers	5,770	5,552	1,218	3,089	15,629
Working for government	246	47	129	289	711
Other	481	485	152	304	1,422
Sub-total					51,054
Resident in the UK					M 700 F 2,661
<b>Grand total</b>					<b>54,415</b>

Source: Japanese Embassy in Britain, *Zaieihoujin no Jittaichousa ni Tsuite (Survey of Japanese in the UK)*, 1993.

government encouraged Japanese companies to invest in the UK. Thus, the Japanese financial business community in the City has become the centre of Japanese business networks in Europe. The London branches of Japanese financial companies are also their business head offices for Europe.

The Japanese bankers and financiers I interviewed were those who were at the centre of the Japanese community in this country and in Europe. However, Japanese expatriate managers do not represent all the Japanese in this country, such as Japanese settlers who have found job opportunities arising from the needs of this expatriate community. Employment agencies, news agencies, estate agencies, private education, and removal firms, and so on, are all based around this community.

Besides the expatriates and settlers, there are also students who attend English-language schools and, at the same time, work in these companies or in shops as part-time workers. Although there are not many Japanese permanent residents in this country, there are more and more Japanese students who hope to become permanent residents though this is severely restricted by the Immigration Acts in British law.

There are also huge numbers of Japanese tourists in Britain. As you near Piccadilly Circus, you will see many Japanese tourists with bags of souvenirs which they have bought in Harrod's, Burberry's, Scotch House, and so on. In February and March, and in the summer vacation, many university students can be found enjoying themselves travelling in Europe in groups. Female office workers also enjoy travelling with friends in London, visiting famous museums, shops, theatres, on one-day excursions to Stratford-on-Avon, and so on. To them, these places and activities represent the 'Englishness', in which they find an ideal lifestyle. In fact, tourist pamphlets in Japan exaggerate the middle-

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Table 3.2 Japanese manufacturing companies in Europe in 1993

UK	198	Finland	5
France	121	Sweden	9
Germany	107	Denmark	3
Holland	46	Austria	17
Belgium	39	Portugal	13
Luxembourg	3	Switzerland	9
Ireland	30	Greece	3
Spain	63	Iceland	1
Italy	45		
Norway	1	Total	713

Source: Nihon Bouekishinkoukai Kaigaijoushouenta,—*Zaiou Nikkeikigyō (Seizōgyō) no Keiejittai, Dai 9 kai Jittachousahoukoku*—(JETRO Overseas Information Centre, *The Practice of Management in Japanese Manufacturing Companies in Europe—the Ninth Report*), 1993, p. 7.

class lifestyle in Britain such as gardening, afternoon tea and the country life depicted in English landscapes. There are lots of package tours to see such images. The Japanese are not from a former British Empire colony, but the images of Englishness are an ideal for these tourists. They might later become students in English-language schools or British universities.

Although the Japanese have no precise geographical location for their community, they are connected with each other personally, and one of their geographical centres is the Japanese school in London, previously in North London and now in West Acton. Japanese company men and their families therefore tend to live in North or West London.<sup>4</sup> Japanese shops and restaurants are near these people's houses, and the biggest Japanese supermarket, *Yaohan*, which supplies Japanese food and books, was built in North London in 1993. *Sogō* was a Japanese department store in Piccadilly Circus, one of the centres of tourism in London, though the department store was closed because of the recent recession within Japan and the Japanese business community in London. Around Piccadilly Circus there are also Japanese restaurants, food shops, bookstores, and travel service offices. In addition to this, famous English shops in Regent Street now have Japanese shop assistants for Japanese customers. Many Japanese families enjoy buying Wedgwood china. The third, and perhaps most important centre for the Japanese community, is the City of London. There are many Japanese banks, securities houses and insurance companies in the City of London. Around these Japanese companies there are also Japanese restaurants, job agencies, interpreting and translation companies, and so on.

Inside this Japanese community in London the delegates and their families enjoy luxurious lives compared to Japanese settlers. The families of Japanese company men are provided with comfortable houses by their company welfare systems. Their children either go to the Japanese school in London or to the local school, though some families send their children to boarding schools or Oxbridge to give their children the 'best' education in Britain. Their wives

send their children to school by car, and enjoy flower arranging with other Japanese wives living nearby, and they shop together. Wives help each other in their everyday lives, having close contact. Children attend English lessons with other Japanese children. These people have close relations with each other. They express the opinion that their lives are better than they were in Japan, as companies pay double salaries to those working abroad, and houses are provided by the companies.

When we look at the relationships between the Japanese community and British society, the Japanese have always had difficulties. Following Japan's economic global expansion in the 1980s, the sudden increase in the numbers of Japanese people in Britain may have been part of the problem. This core of people in the Japanese community established some organisations to promote a better and more respectable community in London. The President of the Japan Club, which is the principal organisation for the Japanese in London, commented thus:

Last year, I had to attend the entrance and graduation ceremonies of the Japanese School in London. I had to make speeches. I had to manage the Japanese Clinic (the advice centre for health for Japanese in London), and so on. My work for the Japanese Community has now reduced a bit, but I spent a tenth of my time on this last year.<sup>5</sup>

We may call the present period 'the age of migrations', or 'the age of travelling' in the globalised era. The Japanese community in London may also be considered as a migrant community in Britain and Europe. However, there are some unique characteristics of the community. First, most minority communities in this country are composed of people from the ex-colonies, whereas the Japanese community is not from a country formerly colonised by the West. Second, the core people of the community are mainly company men and their families who came to this country along with the expansion of the Japanese economy in the world. The core people came as a group and returned after several years. They came to this country and moved freely all over the world, but they have always gone back to Japan.

Although there are some individuals who give up lifetime employment in Japanese financial companies and move to Western companies, they are still exceptional. Around these key men there are students, women and people who have come here on their own. They tend to stay here longer than do the key people. Migration has been based on the international division of labour. However, the Japanese began to go abroad because Japan became the biggest capital supplier. The movement of the Japanese throughout the world was based on the economic prosperity of Japan. Even the increasing number of students who study in Europe was based on the strength of the yen in the world economy in the 1980s. After the abolition of the fixed link with the US dollar between 1971 and 1973, the Japanese began to enjoy going abroad. In

the early 1970s, 1 dollar was 360yen, 1 pound sterling was about 1,000yen, but in the late 1980s, 1 dollar was around 100 yen and 1 pound was about 150 to 170 yen when the yen was at its highest value. When the exchange rate was controlled before the Nixon Shock, individual Japanese could bring in only \$500. Now Japanese bring much more money over from Japan. More ordinary people enjoy travelling and living in Europe, and all over the world.

As a result, a new type of community has emerged in this country, which is culturally outside the Western world. Japan was once an enemy of the UK during the Second World War, and especially citizens who were prisoners during the war are not satisfied with what they believe to be an insufficient apology from Japan. However, Japan is now powerful in terms of economy. The President of the Japan Club said, 'I was keen on doing charity activities. I did as much as I could. This year is a difficult time, because of the 50 years' memorial of the VJ Day'. Although the Japanese community is now expanding in terms of population and influence, it is still difficult for Japanese business people to be understood and to communicate within the UK. When commemorating VJ Day in Britain, the media were selective, showing cunning and harsh images of the Japanese. Mr Hoshino said how difficult it was when he first came to Britain for his business assignment in this country in the 1950s.

At that time there were few Japanese. There were only the Bank of Tokyo, Fuji Bank, Mitsubishi Bank and Sumitomo Bank, I think. Daiichi Bank and Kangyo Bank had only a representative office with only one representative.<sup>6</sup> They were not doing any business. In addition to this, I strongly felt anti-Japanese feelings. For example, there was an exhibition of Japanese cruel behaviour during World War Two. And, there was a cinema hoarding about ill treatment of war prisoners by Japanese soldiers. Nowadays, there are many advertisements of Japanese products around Piccadilly Circus, but at that time there was a big board of a picture in which a Japanese soldier raised his big Japanese sword to threaten a sitting British soldier. I think there was no Japanese businessman who was not blamed by the British people in pubs.... I remember that I met a boy when I was walking in England. The boy said straight out that the Japanese beheaded British soldiers.<sup>7</sup>

Surrounded by such an environment after the Second World War, the Japanese had great difficulty at first in reopening their businesses in the UK and in Europe, but gradually they were admitted as a powerful economic community. Nevertheless, culturally, they still have difficulties. One recent article in a newspaper suggested that British images of Japanese are still hostile.<sup>8</sup>

These characteristics make for unique relations between people within the Japanese financial community in Britain. The financial people I interviewed are part of these core Japanese, but have received less notice than the Japanese in manufacturing companies. However, these financial companies were

recognised and attracted British staff who wanted to work in the City of London, providing new job opportunities in the 1980s.

### **Types of financial institutions and size of companies**

The number of Japanese financial institutions peaked in early 1992. Following the boom in the late 1980s, even smaller regional banks within Japan felt they had to have offices in London to catch up with the newest information. The number of Japanese financial institutions in the early 1990s is shown in Table 3.3.

In the late 1980s, as a result of the increasing number and size of banks, the number of employees increased enormously. According to *Nihon Keizai Shinbun (The Japan Economist Newspaper)*, the number of employees in Japanese banks in 1990 was 5,402, while British staff numbered 4,815 (89.1 per cent). According to Hamada and Sawada, there were about 3,000 local staff for the 24 commercial banks in 1991.<sup>9</sup> According to the supervisor of the Bank of England, branches of Japanese banks employed around 3,000, of whom over 600 were Japanese.<sup>10</sup> The British Bankers' Association keeps statistics of employees of banks. According to these statistics, which only record employees of Japanese banks from 1990, there were 3,700 in 1994.<sup>11</sup> These figures do not include some Japanese financial institutions which do not have a banking licence in the City. We may conclude that British or European employees in Japanese banks probably number between 4,000 and 5,000, and there has been a drop in the number as a result of the recession of the Japanese economy in the 1990s.

There are four types of Japanese financial institution. First, there are branches of Japanese financial companies. All large Japanese city banks have London branches, belonging to Japanese banks in Japan. Therefore, they do not need to produce annual reports of their activities in London. Usually the managing directors are 'global' members of the Board of Directors in Japan, though they appear to hold much higher positions than they had in Japan.<sup>12</sup> The second type comprises subsidiary companies which are companies established in this country. They, therefore, have to submit annual reports in

*Table 3.3* Number of Japanese financial institutions  
in London

<b>Banks</b>	45
<b>Securities Companies</b>	29
<b>Insurance Companies</b>	26
<b>Total</b>	100

*Source:* 'A List of Members of the Japanese Chamber of Commerce and Industry in the UK', *Japanese Business in the UK*, 1993.

conformity with the laws in the UK. All Japanese city banks have subsidiary banks for securities business or other new banking business such as derivatives and leasing business. Securities houses also have subsidiary companies in this country doing banking business. The Japanese interviewees said that these subsidiary companies have more autonomy than branches, and more local staff. However, the subsidiary companies also have managing directors from Japan, and the majority of executive board members are Japanese.<sup>13</sup> The third type comprises representative offices. They are small in size, about five to ten people conducting less business, and collecting information about business in the City. Most life insurance companies have representative offices in the City. When other financial companies first came to the City, they started by establishing representative offices. The fourth type of organisation is made up of joint companies which are backed by both Japanese and British companies. In the early period when Japanese banks first participated in international banking business, they set up joint ventures with British merchant banks, to learn how to do international business. Now they are 100 per cent Japanese-owned subsidiary companies, but it is still considered useful for Japanese financiers to have joint companies in new areas for Japanese banks such as fund management.

The size of the companies is difficult to define precisely, because these Japanese financial companies are nominally divided into several companies such as banks, securities companies, fund management companies, companies to deal with gilts, and so on. Some informants counted the number of the staff of the whole group of companies, and others counted the number in each company. Numbers of employees, from information gained from interviews, are shown in Table 3.4. Usually each big city bank has about 200 to 300 employees. Each regional bank has 30 to 40 employees. Non-life insurance companies are smaller in terms of the number of employees than city banks. Insurance companies, lease companies and some government banks have small representative offices in London.

The number of Japanese personnel sent from Japan is decreasing because of the recent recession in Japan, and because it is more expensive to send them from Japan to London than to employ locally. The ratio of Japanese to British is lower in large companies than smaller companies. Subsidiary companies have fewer Japanese personnel compared to branch companies. Certainly, a minimum of Japanese staff is always required, such as managing directors, deputy managing directors and some senior managers for each section. When companies expanded, they employed more local staff, with the result that the Japanese proportion decreased. Subsidiary companies are doing more new business which Japanese staff do not know well, so there are more local staff.<sup>14</sup>

Human relations differ according to the size of companies. Bigger companies have more organisation by management, whereas there is more personal interaction between Japanese and local staff in smaller companies.

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Table 3.4 The numbers of Japanese bank staff in the City

	<i>Total</i>	<i>Japanese</i>	<i>British</i>
A Bank Group (1992)	470	60 (12.8%)	410
A Bank Group (1995)	500	56 (11.2%)	444
B Bank Group	500	80 (16%)	420
C Bank International	90	15 (16.7%)	75
D Bank London Branch	260	35 (13.5%)	225
D Bank International	350	27 (7.7%)	322
E Bank International	120	9 (7.5%)	111
F Bank	400	55–60 (13.8–15%)	340–345
G Bank London Branch	120	25 (20.8%)	95
H Bank	40	11 (27.5%)	29
I Securities Company	330	50 (15.2%)	280
J Securities Company	300	50 (16.7%)	250
K Leasing Company	7	3 (42.9%)	4
L Non-Life Insurance	70	20 (28.6%)	50
M Governmental Bank	6	3 (50%)	3

Sources: The numbers in this table are based on interviews conducted in 1991–2 and 1994–5.<sup>15</sup>

The present managing director of a city bank who had also been in London in the early 1970s described the change following the expansion:

As a social event, we have a Christmas party every year, but personal relationships are not the same as they were. Now, we do not have enough time, and human relationships are very weak. Our bank expanded and now there are many who do not know each other though we are working in this London branch building together. It was not like this before. We did not have more than 40 or 50 people, so everyone was on first-name terms. It's the same as in any organisation. Even in Japan, in the small companies, we even know each other's families, but the bigger the company becomes, the more difficult it is to know each other.<sup>16</sup>

As this extract describes, the number of employees in branches of Japanese banks expanded rapidly in the mid-1980s. A large city bank, in terms of employees, had about 250 employees and, of those, 30 to 40 were Japanese. The economic boom in London and the expansion of Japanese banking business increased the staff in Japanese banks, and changed relationships between the Japanese and British staff. In the smaller organisations, Japanese staff and British staff kept more personal contacts.

### Portraits of the interviewees

When we work in international workplaces, it is often difficult to know the social backgrounds of people from different societies. Every difficulty tends to reduce to ethnic differences. Ascribing all cultural dissonance to ethnicity,

should be avoided—there are also differences of gender and class to be found in the workplace. This section, therefore, examines the backgrounds of the interviewees before moving to the analysis of their narratives.

### *Japanese male managers*

Japanese businessmen have not been studied as much as Japanese companies. T.P.Rohlen described the lives and work of Japanese bankers in the early 1970s. He tried to explain how Japanese bankers were trained to work ‘for harmony’ within their companies.<sup>17</sup> Although Rohlen depicted post-war Japanese company men as passive and hierarchical, they had to adjust to new environments after the rapid economic growth. From the 1970s, they had to ‘go international’ more than before. This caused identity problems, and Merry White explained how difficult it was for Japanese businessmen, who had worked abroad in a Western atmosphere, to readjust to the Japanese environment.<sup>18</sup> Hamada, in her study of Japanese managers in the USA, explained that the difficulty arose from their strong perception of core and peripheral relations between head offices and subsidiary companies abroad.<sup>19</sup> Kosaku Yoshino thought that the problems of Japanese businessmen lay in their culturally nationalistic identity, examining the discourses of the Japanese business leaders in contemporary Japan in articles in newspapers.<sup>20</sup> In this section, I focus on the following sociological factors: family, education and the career paths of Japanese male managers in financial firms, in order to look at how these factors are related to their identities in later chapters.

Forty-seven Japanese businessmen in financial firms in London cannot be representative of all Japanese businessmen in Japan, but they can offer pointers to certain types of Japanese banker and financier, that is, a stereotypical élite of company men—especially men in banks—with more conservative ideas than men in manufacturing companies.

The core of employees in Japanese financial companies are Japanese male managers, sent from their head offices in Japan. The senior managers usually stay in the City for three to five years and then return to Japan for promotion. Managing directors of the companies have experience of working abroad more than once, and often for more than ten years, returning from time to time to Japan. Therefore, British staff are aware that Japanese bosses are always changing. Younger managers stay longer in the City to gain knowledge of the new financial business.

These managers had a better quality of life when they were growing up than the average Japanese person. Their life stories reveal that they had happy family lives and more leisure activities. Mr Yamada, who was in his forties, said that when he was a child they used to go to the cinema and had dinners in restaurants once a month. This was at a time when Japan had still not recovered from the war. So, he said that his childhood had been much better than most peoples’.

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The parents of Japanese male managers had been supportive during their education and at critical times of decision-making in their lives. Most of the male managers said they had had few conflicts with their parents except for some whose fathers had been teachers in provincial areas. They said their fathers encouraged them to be independent and competitive. Almost all of them said that their mothers had been housewives. However, some whose parents had been in agriculture said their mothers' work had been important for their household economy. But in families with fathers who had worked for companies in big cities, mothers had concentrated on housework and child care.

These Japanese male managers were able to go to private secondary schools or top high schools in their region, which helped them to be successful in their entrance examinations to universities. It was taken for granted for some bank managers from urban middle class families that they would go to prestigious universities, because their fathers, brothers and male relatives had also graduated from such universities. Some managers who were born in the countryside were sent to a big city for their secondary education in order to be successful in their university entrance examinations. Some had private tutors to get them through their examinations.

As Table 3.5 shows, most of their fathers worked for large companies, including banks. One of the managers interviewed was from a noble family of the pre-war period, and two of them said their ancestors were big landlords in the pre-war period. Although these people were originally upper class, most of the male managers were from middle-class backgrounds, though class distinction is not clear-cut in post-war Japan. In general, the existence of class is rarely discussed among the Japanese, compared to how it is discussed in Britain.

The managers interviewed graduated from the most prestigious universities in Japan. The percentage of Tokyo University graduates among these male

*Table 3.5 Occupation of fathers of Japanese male managers*

	<i>Born in 1930s</i>	<i>1940s</i>	<i>1950s</i>	<i>1960s</i>	<i>Total</i>
Company man	5	7	3	4	19
Family business		4	1		5
Teacher	1	1	2		4
Bureaucrat	1	1	1		3
Farmer <sup>21</sup>		3			3
Journalist		2			2
Military officer	1	1			2
Local government officer			1		1
Public sector worker	1				1
Clergyman	1				1
Not known		5	1	4	6
<b>Total</b>	<b>10</b>	<b>24</b>	<b>9</b>	<b>4</b>	<b>47</b>

*Sources:* Interviews.

managers was extremely high: 11 of the 47 male managers interviewed. Among 17 managing directors in Japanese institutions in London, six were from Tokyo University; three were from Keio and Waseda, and the others were from other national universities. No Japanese expatriate bank managers were from more 'popular' private universities or national universities in the countryside which are not considered as prestigious as the universities from which they had graduated.

Managers in securities houses came from less competitive universities than bank managers. Some Japanese managers from provincial universities went to regional banks where their universities were located. Some companies have strong links with particular universities. For example, Japanese managers in the Sumitomo group<sup>22</sup> whom I interviewed were all from Osaka University. All the informants except one in Tokio Marine & Fire Company were graduates of Hitotsubashi University. In one city bank, a large proportion of the interviewees were from Keio University. I noticed a link between Keio University and this particular bank. Some people from less competitive universities gained entry to their companies through their relatives' connections with the banks, not through university connections.

Some of these managers commented that it was unusual to be promoted to the position of senior manager if one was from a less competitive university. If managers were from Tokyo, Kyoto, or other competitive national universities, or competitive private universities such as Keio and Waseda, employees felt they had a good chance of promotion. Mr Yamada explained this feeling:

It is difficult to explain: to sum up, if people are of equal capabilities, someone who graduated from Tokyo University is definitely promoted first. Yes, if there are the same salaried employees, who get the same results, if there are only these three candidates for one position, basically the one from Tokyo University is promoted. So, it is advantageous to graduate from Tokyo University in this sense.

*If the three are all equal, why is the one from Tokyo promoted first?*

Because, all the executives are from Tokyo University. In this bank there is friction between the Tokyo University Group and the Keio University Group. Basically the Tokyo University group has more power.<sup>23</sup>

This sense of rank makes Japanese male managers who are not from prestigious universities feel that it is difficult to climb the career ladder. For example, Mr Hoshino said he had wanted to enter the Bank of Japan, the Central Bank, when he graduated from a high school, but in the end he was unable to find employment there. Then he went to a provincial university and paid his fees by working as a private tutor for high-school students. After he graduated from the university he entered a big *sōgō shōsha*, a trading

company, and then he eventually became an executive of the company. He said:

I joined this trading company by accident, but I think that I was lucky to have gained the opportunity to work in this trading company. For example, if I had joined the Bank of Japan, it is a workplace with strong discrimination by educational background. For example, someone who graduated from a provincial high school probably would have had to work in a very low position. I would like to thank them for having refused me at that time. I would feel horrified if I had been accepted by the bank. What a workplace it is!<sup>24</sup>

I interviewed a manager who graduated from a high school. His position as chief cashier was that of assistant manager, and was almost the same as the locally hired Japanese women. He praised the equality of promotion in the bank, but after the recording he said that if possible he wanted to clarify the criteria for promotion in the bank. He did not show unhappiness with the system of promotion, but said that he would have liked to make promotion fair. On the other hand, I heard an ironic tale about managers who were ironing bank notes in the Bank of Japan though they had graduated from Tokyo University, because they did not have enough ability for the practice of business. The managers, who were not graduates from prestigious universities such as Tokyo University, circulated stories of incompetent Tokyo University graduates in prestigious banks.

The sense of university ranking and the companies for which these men are working, are strongly connected in their ideas, especially among employees in the city banks. Mr Honda recalled his experience of finding a job in his final year at university.

I visited *azaibatsu* Bank for job hunting, and I was told, ‘Mr Honda, you are very good, but you have come to this company a bit late. We have already chosen the number, which we have decided, of students from Hitotsubashi, but there might be a vacancy, so would you please stand by’. Then, I visited this bank which had strong relations with the government on the way home. If I wanted to work for a bank, I should choose this bank, I thought. Nowadays this bank is a favourite bank for students who seek jobs, but even at that time, this bank was very popular with students at universities such as Tokyo University or Hitotsubashi. This bank was not popular for students at private universities such as Nihon University, or Housei University. If students at Tokyo University voted for the most favourable bank, I think this bank would be the top bank. I had been looking at senior students’ job-hunting, and found that the students who joined this bank were excellent. So, I thought if I wanted to work for a bank I preferred this bank. This is the reason why I visited this bank. I

visited this bank once, and I thought it would be difficult to be chosen by the bank. However, after one week I received a phone call from this bank to come to the bank with a certificate of my results at university. Then I brought it and I met executives of the bank and I was told in that meeting, 'OK. Come and join our bank'. Then, I immediately phoned that *zaibatsu*, the personnel of which had asked me to stand by, and said I was chosen by this bank. Then they said, 'Congratulations!' People in the *zaibatsu* Bank must have also known that this is more difficult than the *zaibatsu* bank for students to join. Probably, they had not thought that I would be chosen by this bank!<sup>25</sup>

We can see how this bank manager who was refused by the *zaibatsu* bank was delighted to be chosen by a more prestigious government-related bank. His pride was saved and satisfied by his success in joining this bank.

Conversely, students who thought their position in education was not so good as that of top-ranking students chose less prestigious companies. Mr Koike commented:

If I speak frankly, there were about 30 students in the same class under the same tutor, and four of them said that they were joining Mitsubishi Bank, then four went to Fuji Bank, two to Sumitomo Bank, and so on. I was the only one who chose this bank. If there were three or four in the same bank from the same class, I thought, I did not want to compete with them again in the workplace as well as at university. I wanted to join a bank which no classmates joined.... I graduated from Keio, which is OK, but I did not graduate from Tokyo University. And my mark was not so good that I could have gained a gold watch. And I did not think that I was extraordinarily clever. As such an ordinary person I wanted to try and work hard, but I wanted to work at a place where I was evaluated fairly, not according to university status or family network.<sup>26</sup>

He said his choice had been right and that he was now enjoying his senior position in his bank in London. These Japanese managers chose the 'right banks' according to 'their positions' at university. As these extracts show, the bank managers were extraordinarily sensitive about their locations in their imaginary hierarchical ranking.

People who went to securities houses said they had chosen the companies because they wanted to be 'original'. They did not say that they had chosen their companies according to rank. Mr Ito who was in his forties and graduated from Keio University said, 'I wanted to choose a job which reflected trends in the contemporary world, so I chose the securities business.... I did not think that working for a bank would suit me'. Mr Tanaka who was in his fifties in a securities house said, 'I tried to get into medical school, or to a pharmacy department of a national university, but I could not. So, I studied politics at

Waseda'. For him, going to a private university was a second choice. When he tried to find a job in his fourth year at university, he did not pass an entrance examination to join a newspaper agency, though he had thought he could. Then he missed visiting other companies. His only possibility was to join a securities house. The only one among the Japanese interviewees who changed his job after working for a company for years was working for a securities company. He first worked for a shipbuilding company, but that closed, and he had to find another job. Then he joined a securities firm. As far as these interviewees are concerned, the educational background of securities company men is relatively less competitive than that of banking people. In addition, people who worked for city banks said it had not been considered as good to work for securities firms until recently. This can be contrasted with the images of securities businesses in Britain where banking business is not so tied to the authority of the government as in Japan. Mr Yamada in his forties, a graduate of Tokyo University and working for a city bank, explained:

The image of securities firms was really bad 20 years ago. To be frank, securities business is stockbroking. What they are doing is in fact the same as before, though their images have changed considerably. Securities companies were in the world to get profit by cheating people before. The social image of securities firms was completely different from now. So, I thought I had to choose a city bank rather than securities houses. My father also recommended that I join a bank rather than a securities firm.<sup>27</sup>

For the people in non-life insurance companies, the Tokio Marine & Fire Insurance Company<sup>28</sup> was the best in this area. So people who joined this company were happy when they were accepted. In contrast, a managing director in a small non-life insurance company said that as he was one of the few graduates from Tokyo University in his company, he was expected to be a top executive in the company from the beginning of his career. A male manager in an insurance company emphasised that the reason he had joined the company was 'by accident'. He had not wanted to work when he was in his final year at the Law Department of Kyoto University. He took his law examinations but failed and therefore had to find a job.<sup>29</sup> He emphasised that it was by chance that he had joined the company.

Although interviewees did not tell me directly, I found that they had a strong sense of the ranking of financial companies. Although this ranking is very subjective, they showed a sense that government-related banks such as the Bank of Japan and the Industrial Bank of Japan are in the highest rank. Then come the *zaibatsu* banks such as the Mitsui Bank or Mitsubishi Bank. Among non-life insurance companies, the position of Tokio Marine & Fire Insurance Company, which is a member of the Mitsubishi corporate group,

is extremely high. Then came other city banks. Securities companies, regional banks and trading companies are considered as low-ranking.

Through recruitment, the ranking of companies and universities knit together, and students and recruiters of companies choose their companies and new employees alongside this ranking process. This process emphasises even more the ranking of universities.

This sense of rank can still be seen now in a list which is published by cramming schools. Table 3.6 shows the ranking list of universities constructed by a cramming school in Japan.

I must emphasise these figures are not to be viewed as purely objective, but the cramming school which drew up this table said that the figures are based on mock examinations and the examination results of about 470,000 students. The numbers show the relative values of universities. The ranks are shown in great detail by these figures. The book said that students refer to the figures and the results of mock exams when they decide which university's exam to take. According to the book, universities are ranked by these figures, not by their characteristics.

The Japanese male managers whom I interviewed had a strong sense of ranking except for one: Mr Ogata said that he never asked about the educational and family background of other people. This manager, who is from the 'baby boom'<sup>30</sup> generation and experienced the student revolts around 1970, said: 'I am interested in a person's job and his or her opinions or way of life. I have never asked about the past or how they entered their companies'. However, his statement was an exception among those of my informants.

The book also gives the image that every high-school student can gain access to these competitive universities and the image that Japan is a meritocratic society. People judge students' competitiveness according to the university from which they graduated. Japanese male managers, especially managers in Japanese banks, had been successful in these competitions. They referred to their universities when they talked about who they were. Most male managers went to private or national high schools from which most students go to high-ranking universities. Then, they could gain entrance to these competitive universities through their high schools. For example, Mr Aoyama and Mr Shimazu, senior managers of city banks, said that most classmates at their private high schools took the exam for Tokyo University, so they also took it.

Ronald Dore and Mari Sako point out that 40 per cent of students in Japan go to university, and gain general knowledge, but in Britain more students go into vocational education.<sup>31</sup> However, these managers' conversations show that what is of importance is which department of which university they graduated from rather than the fact they went to university. Dore and Sako argue that Japanese education is based on more open competition, but as far as the interviews with this Japanese business élite are concerned, it appears that the reason they could enter into these

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Table 3.6 Ranking of universities for entrance exams decided by a cramming school

**A: Ranking of Law Departments of National Universities**

<i>University</i>	<i>Relative values</i>	<i>University</i>	<i>Relative values</i>
Tokyo	67	Hokkaido	61
Kyoto	67	Hiroshima	61
Hitotsubashi	65	Okayama	60
Osaka	65	Kanazawa	59
Kobe	64	Shizuoka	58
Tokyo Metropolitan	64	Yamagata	57
Tohoku	63	Shimane	54
Tsukuba	63	Ibaragi	53
Kyushu	62		

**B: Ranking of Economic Departments of National Universities**

<i>University</i>	<i>Relative values</i>	<i>University</i>	<i>Relative values</i>
Tokyo	66	Kobe	62
Kyoto	65	Hokkaido	61
Hitotsubashi	64	Kyushu	61
Tsukuba	63	Tokyo Metropolitan	61
Nagoya	63	Hiroshima	59
Osaka	63	Saitama	58
Yokohama National	62	Ibaragi	53

**C: Ranking of Economic Departments of Private Universities**

<i>University</i>	<i>Relative values</i>	<i>University</i>	<i>Relative values</i>
Keio	68	Aoyama	63
Waseda	67	Rikkyo	63
Jochi	66	Gakushuin	62
ICU	64	Dokkyo	59
Doshisha	64	Okinawa	43

Source: Yoyogi Zeminaru ed, *Anata wa Kono Seiseki de Gōkaku Dekiru: Nyūshi Nani Ranking Hyō (You Can Pass the Exam If You Reach These Marks: Ranking Table of Difficulty of Entrance Exams)*, 1994.

competitive universities was through the advantages they had from their family background and high-school education. Opportunities for education in post-war Japan have been looked on as egalitarian as has the education system which was introduced by the American Occupation forces, but the interviews suggest that there were, in practice, narrow paths for access to better universities in terms of reputation and better opportunities. By means of these paths, most of my informants went to universities which were ranked as over 65 in the list published by the cramming school.

The sense of ranking was strong and is still strong even among younger generations. It was what motivated their competitiveness. I would like to quote Mr Honda's words again to show how he looked at things by ranking. He said, 'In this subsidiary company, there are 28 Japanese expatriates. I think my English is the seventeenth best'. How could he rank his English ability so accurately?

The sense of ranking is of overriding importance because employment of these people is generally for a lifetime. All the Japanese male interviewees in banks and insurance companies joined their companies just after they had graduated from their universities, although securities companies are not so rigid about lifetime employment. For instance, as I mentioned before, one manager in his thirties joined a securities company after the former ship-building company in which he worked went bankrupt. A managing director of a securities company said he tried to employ staff who were not new graduates.

Most Japanese managers studied law or economics at university. They commented that they are not from engineering or science departments at university, so if they went into the manufacturing industry their work would be limited to personnel management or administration, whereas if they went into banks their possibilities would be much better.

Japanese male managers chose their university departments as paths to companies, but some of them emphasised that they had enjoyed their studies at university very much and thought that they could continue their interest in their jobs. Mr Tomita studied where each industry ought to be developed in Japan, in order to ascertain the conditions for each industry's development potential. In Japan, industry was strongly guided by governments, local authorities, banks and corporate groups. Therefore it was important to study the theories of such policies. He joined the bank because of the reputation the bank had for being good at research. These Japanese managers are proud of their knowledge of their subjects. A senior Japanese manager in a bank said that he was proud of his knowledge of law and the French language which he had studied at university. Although for Japanese managers specific subjects at university are related to their particular selection of jobs, choice of university is more related to images of the university as a step on the course of life.

The activity of choosing companies starts at the end of the penultimate year, or the beginning of the final year. First, candidates meet senior students who have already joined the companies, which gives them an impression of the companies and what kind of people are working there. New company men recruit their juniors. This senior-junior relationship at university was a key to their recruitment.

Employees in banks had decided on their jobs in the early period of the final year. However, employees in securities houses and insurance companies had decided on their jobs later. This means that in the recruitment system in

Japan, prestigious companies choose graduates first, and then other graduates try to find second-, or third-best companies. The link between university ranks and company rank is clear in the minds of these people. Those who chose securities companies may have had to do with second or third best, though the social recognition of securities companies rose in the 1980s.

These Japanese male banking managers working abroad had common career paths as 'generalist' managers in Japanese banks. For the first two or three years after joining their companies, they did routine work with colleagues who had just graduated from high school. However, after one or two years of this period, they had opportunities to show their abilities. For example, some went abroad to get an MBA, others were sent to Western banks to be trainees. Some were allowed to go to English schools without doing routine jobs. Then they were assigned to the section for international financial business, with further working abroad and in Tokyo head offices. However, this does not mean they concentrated only on international business. They would have had experience in regional branches or personnel departments as well as in the forefront of international business.

Managing directors had experienced being abroad two or three times. First when they were in their thirties they were sent abroad as middle managers, then as senior managers, then as managing directors. As a result of this experience, they are now different from Japanese businessmen who have spent their whole career within Japan. They are called *kokusaiha*, 'international' businessmen, and the younger generation who are now middle managers are worried about becoming 'international', because most Japanese male managers in Japanese banks have the conventional idea that banking business with Japanese customers is the most important business. Therefore, managers who have spent most of their career in head offices, who are called *kokunaiha*, the 'domestic' businessmen, have the most potential for becoming board members, and can gain important information about the strategies of companies. These 'domestic' people believe that Japanese banks should support Japanese manufacturing industry as 'main banks'. So, these people do not want to be 'international' but want to be 'domestic' Japanese businessmen. They want to have conventional careers as 'generalists', in other words, experiencing different sections every two or three years and then taking senior positions. They want to gain the maximum experience in their companies in order to become executives. They are scared of becoming 'specialists' in one section. Those who became 'international' businessmen, in other words *kokusaiha*, who have been abroad for more than ten years are considered to be 'specialists'.

As I have discovered, Japanese bankers and financiers in the City can be characterised as middle class in background, born in post-war Japan, graduated from among the most prestigious universities in Japan, joining banks they deserved, and on the middle of the promotion ladder, though they are worried about being thought of as specialists of the international banking business.

*Japanese female managers*

In Japanese banks in the City there are only a few Japanese female managers sent from Japan.<sup>32</sup> When I interviewed these people in 1991 and 1992, there were more female expatriates than in 1994. The economic recession in Japan reduced the number of these female expatriates abroad. I met seven Japanese female managers. They fell into three types. The first type were managers who were in their forties and had been working in their banks for more than 20 years. They were from middle-class families and had been well supported in their education. Ms Oki's father was a bureaucrat and Ms Akamatsu's father was a company man. They both graduated from women's colleges in Tokyo, and joined a bank through an introduction by acquaintances of their fathers. When they joined the bank they needed references from their fathers' acquaintances. At first, they worked as clerical workers as if they had graduated from high schools. Though most of their colleagues had resigned from their companies, they remained without complaining about being in such low positions for many years. Unexpectedly for them, the Equal Employment Opportunities (EEO) Law was passed in 1986, and it introduced two career paths for women: one is *sōgōshoku*, the other is the *ippanshoku* course. Usually, male university graduates are employed automatically as *sōgōshoku* staff, but if women choose *sōgōshoku* as their career course they are treated as the equals of male *sōgōshoku* staff in principle. However, if women choose *sōgōshoku*, they have to move geographically every two or three years, like the men, and have to work until late at night. Therefore some women preferred to be *ippanshoku* as their career course, which meant they did not have to move geographically, but had to work as women clerical workers in supportive roles.<sup>33</sup> Women who had worked for many years had opportunities to move to the *sōgōshoku* course. These female managers in their forties were promoted to be *sōgōshoku* managers, which gave them great opportunities to show their abilities. Ms Akamatsu was given opportunities to work in London as a deputy managing director, and Ms Oki was also given responsibility for lending to Japanese customers in London. Both of them were promoted to a position which they had not expected, because of the EEO Law and the working environment in London.

The second type of female managers were younger *sōgōshoku* managers employed according to the EEO Law after 1986, since banks complied with the Law immediately. They were around 30 years of age, and their family and educational backgrounds, and language abilities were much better than those of their male counterparts. All three I interviewed had graduated from top-ranking national universities, and studied abroad. However, their career paths had tended to be more as 'specialists' than those of their male colleagues. They had tended to be assigned to the research section rather than to the dealing sections. The EEO Law did not in effect give them exactly the same career paths as their male counterparts. Also, these female managers, as the first

generation *oisōgōshoku* managers, had difficulties in finding role models in their companies. They showed their anxiety about their future career prospects.

In addition to uncertainty about their future career paths, they said that it was incompatible to continue to work in their company and to have a family. Miss Ono said if she married a company colleague she would have to resign from the company, an unwritten rule in her company. Ms Yano said she wanted to bring up her children by herself, and that children should be looked after by their mothers. Therefore, she was thinking of resigning from the company, and working as a freelance consultant. Even for these highly qualified female managers, the ideologies of motherhood and being a competitive manager are incompatible with the work culture they had. Both of them said that about 90 per cent of their female *sōgōshoku* colleagues who had joined their banks in the same year had already resigned from their work.

There was the third type of Japanese female manager sent from Japan, *ippanshoku*, whose roles were more supportive than those of the second type. I met two of these female staff sent from Tokyo. Compared to those from the second type, they had graduated from private universities, which are considered less competitive than national universities. Their fathers were also company men, but they had been recommended by their fathers to choose these supportive jobs in companies because their fathers judged that it was impossible to break the barriers to advancement in Japanese companies. Miss Hosokawa found she could conform to the role required by a supportive job, but Miss Kawakami, who had studied in the US, felt hostile to the idea of working in a supportive position.

The EEO Law divided younger women graduates into two categories: *sōgōshoku* managers who could be competitive with their male counterparts, and *ippanshoku* staff who would be doing supportive jobs. The former have to endure the situation of being assigned to a specialist course, while the latter have to accept that they are of inferior status, both to male managers and to 'élite' women. The EEO Law not only hardened divisions between women graduates, but did not improve the situation of women working in large Japanese companies.<sup>34</sup>

Although these female Japanese staff had different career paths according to their age and their choice of career, all of them had been encouraged by their family to study and to continue their jobs in contrast to the locally hired Japanese women (whom I will describe later). This suggests that family support is enormously important for women in keeping their motivation to continue their work in Japanese companies.

### *British male managers*

Since the rapid expansion in the late 1980s, Japanese banks have employed more British managers for their business in the City. However, the British

staff are frustrated by lack of promotion, exclusion from final decision-making, the different attitudes to work of their Japanese bosses, and so on, though there are some studies that suggest Japanese companies are changing their attitudes towards local managers.<sup>35</sup>

British male managers working for these Japanese companies varied in terms of their educational and family background. Among 12 British male managers, the most senior was a managing director in a securities company. He was born into a family in business, went to Oxford, and joined a British merchant bank. He had worked in the Japanese business section of the bank since the 1970s, and was then asked to join the Japanese bank to develop its securities business in London. In Japanese financial firms, there were typically some British managers recruited for their knowledge of City business, and their good connections with British financiers, or European customers. They had been invited into these Japanese firms to give advice to the Japanese, who were newcomers in international financial business. The main motivation for Mr Chambers to move to the Japanese company had been that the merchant bank he had worked for had been taken over by a European bank, and he did not like the change from the English atmosphere of the bank. Senior managers, like Mr Chambers, were extremely disappointed by the fact that they found that they did not enjoy similar status to their Japanese colleagues who could gain promotion to head offices in Japan. They thought that they could help the Japanese, but they felt excluded from the final decision-making in their companies despite their nominally high positions. When they felt disappointed, these senior managers left the Japanese companies, and the Japanese accepted their resignations as they had learned enough from the British managers. The Japanese also recognised that they could not supply these senior managers with the positions they wanted. Several Japanese managers said, 'The people we want to keep tend to leave our companies'.<sup>36</sup>

The second type of British managers were middle-aged managers who came to Japanese banks after working for other foreign banks in the City such as American, French, Swiss or Arabic banks. They also have middle-class family backgrounds, and some had gone to boarding schools, supported by their fathers' companies, and had graduated from university, but not Oxbridge. From the beginning, they did not try to work in British banks, thinking they would find more opportunities in foreign companies. In the late 1980s, they moved to Japanese banks when the Japanese companies became more prominent and offered good salaries. These managers came to Japanese banks through job agencies, and they thought that Japanese banks were 'pastures new'. They expected that they could show their abilities and get promotion in relatively new companies.

There were also personnel managers who had had several jobs before taking such positions in Japanese banks. Some personnel managers' family backgrounds seemed to be lower than the managers who were involved on the dealing side. They had gained their qualification from the Institute of

Personnel Managers. On the other hand, there were personnel managers who had been lawyers and who had worked in law firms for Japanese companies, and had been invited to the Japanese companies to establish the management structure for local staff. In contrast, in smaller companies of 40 or 50 people, there were personnel managers without such qualifications. The qualified personnel managers were proud of their role in establishing British management structures in Japanese companies here, but their status was lower than that of their Japanese counterparts. Japanese personnel management is, in general, more integrated in business, but these British managers were isolated from the financial business of their companies.

Personnel management in Japan is different from that of British companies. The positions of personnel manager are circulated among male key workers, and one of the important tasks of the personnel department is how to promote key workers to the next rung of the ladder. Personnel management is more centralised in the head offices, and the personnel departments have great power. Most Japanese managers I interviewed had experience of working for a personnel management department as well as on the dealing side, whereas, according to my interviews, British personnel management in this country is more dependent on each manager's skills. The differences in their careers struck me. They started their career without the personnel management qualifications. Some were university graduates, others were not. Mr Harding left grammar school when he was 17, and until 21 he did many jobs including farming, telecommunications, clerical work and airline work. Even after he specialised in his career as personnel manager, he ran a shop. The other difference I found was that there were many female personnel managers in the list of the group of personnel managers in Japanese banks in London. The status of personnel managers in this country seems to be lower than that of their counterparts in Japan.

There were also young specialists who had graduated from prestigious universities such as Oxbridge and joined Japanese banks to be trained. My understanding from the interviews was that these people were the most frustrated, because of the different working attitudes in Japanese banks. These managers found it especially difficult to follow Japanese ways of working, and the lack of opportunity for individual responsibility in Japanese companies was unbearable for them.

British managers showed less concern with rank than Japanese managers. They may have thought that, as a foreigner, I was unable to share this notion of rank, or they may have wanted to hide it. However, when I looked at the educational background of British managers in Japanese banks, I found some relationship between their university and their job status. Although British staff talked about hierarchy in Japanese companies, it seemed to me that they have structured status related to family and educational backgrounds.

The subjects these managers had studied were history, the classics or literature, in contrast to almost all Japanese managers (who had studied law

or economics). Mr McLead and Mr Chambers said that it was not necessary for bank managers to study economics or law. As far as these managers were concerned, it was strange that all the Japanese managers had graduated in law or economics. British managers saw this as the reason why Japanese managers could not engage sufficiently in general discussions.

Japanese managers told me about their images of British male staff who considered their family life as more important than their working life. However, what was striking was that, with the exception of senior British managers, most British male staff I met were single.

Japanese managers said that when they had started their business in London it had been difficult to find first-class British staff, but as Japanese banks gained better reputations, some managers said they could find better British staff. Yet now these British managers are extremely frustrated by working for Japanese financial firms. In addition to this, the salary in Japanese companies is now comparatively less than that in other foreign banks in the City.<sup>37</sup>

### *British female managers*

Two types of British female managers are represented in the interviews. The first type comprises personnel managers who gained their qualification after they began to work. They play a mother-figure role and mediate between Japanese managers and British staff. They gained the qualification after being married as a mature student, or after working in different jobs. Gaining the qualification and joining new companies in the City gave them a great opportunity. The other type comprises young specialists who graduated from Oxbridge or London University. Interestingly, these young female managers were married, and two of them had babies. This contrasts with the young Japanese female *sōgōshoku* managers who had delayed marriage in order to be competitive bank staff. These young British female managers were doing new financial business in the late 1980s, and enjoying developing their knowledge and skills in the finance business. Young specialists can be considered as new ‘yuppie’ graduates. Compared to female personnel managers, they had better family and educational backgrounds and were younger than the specialist managers. Sylvia Walby pointed out that there are gaps between women in the 1990s according to their ages and educational backgrounds.<sup>38</sup> The two types of British female managers I interviewed in Japanese banks may have been the reflection of women’s situation in Britain.

These British female managers did not say that they were treated unequally compared to their male counterparts. They were sympathetic, however, to Japanese female managers and locally-hired Japanese women who had to put up with disadvantages on gender grounds.

*British clerical workers*

Most clerical workers in Japanese banks are British women, though there are some male clerical workers. They have working-class family backgrounds, especially from East London. They have been working longer in Japanese companies than the managerial classes.

The clerks were not encouraged to study hard. They left school at 16. Mr Gibson<sup>39</sup> told me how he was brought up in the East End. His father was a docker, and he was educated in a very rough school. He passed five subjects at O-level at school, which he said was very good for his school's standard. He said he was a good student. He was proud of himself, because he had become an office worker and was earning a much better salary than his friends. He had been a clerical worker in Japanese banks for more than 20 years. Sue had been also working in Japanese banks for more than 20 years after she left school when she was 16. Mary failed her A-levels and began to work in a high street bank, then moved to a Japanese bank. Sue, Laura, Mary and Amanda are now planning to further their careers by gaining more educational qualifications. Mary is regretting that she did not repeat her A-levels. Sue is studying physics with the Open University. Laura wants to be a dealer and is studying finance by herself. Amanda wants to be a personal secretary rather than a secretary of a section doing photocopying and other menial work. British female clerical workers in these Japanese banks wanted to open up their opportunities.

*Locally hired Japanese personnel*

There are some Japanese staff who are employed as local staff in London. They are included in the local staff, but they are not members of the union. They cannot be promoted to Tokyo head offices. Some of them had married British partners and some of them had been working in Britain and had been granted permanent residence or British passports.

Some had come to Britain before the Immigration Act of 1971 tightened regulations. They had tried to find better opportunities in Western countries where they believed there was more freedom than in Japan. However, the workplaces they eventually found were Japanese companies in London. They were working somewhere between the Japanese and the British staff, in the most insecure positions.

Most of them were women and their family and educational backgrounds were much lower than those of either the male or female core workers. Although when they left Japan they had personal crises, they also wanted to find alternative career routes outside Japan. This is similar to British middle managers and clerical workers who could not get into prestigious British banks and tried to find careers in foreign banks.

There are also a few locally hired Japanese men. Their status is higher than locally hired Japanese women, but they suffer the penalty of having

given up the company men's career course in Japan, which may be much greater than that of Japanese women, who had given up living in Japan to find more opportunities. If the men had not given up their careers, they might well have had core positions within Japanese companies.

Most locally hired Japanese women in their forties and fifties had graduated from high school. They especially thought English would help their career plans. They had a strong sense that they had lacked opportunities when they were young. Fuyuko wanted to be a lawyer and Tatsuko wanted to go to university, but they were not allowed to go to university because they were girls and their families were not able to afford it, though their brothers went to university. Sachiko also wanted to go to university to be a teacher, but she entered a bank. They said they had done very well at school, and if they had had opportunities, they could have gained high qualifications.

These are now more and more Japanese women coming to London to find better jobs which they think they could not obtain within Japan. The younger generation have better educational qualifications than those who came to Britain in the 1970s. All of the younger women I interviewed had European or British partners. This younger generation did not have personal crises when they left Japan. They stopped working and came to Britain to find new career paths.

### *City experts on Japanese business*

These are experts in Japanese business in the City, following the development of Japanese business in the City and the expectation that financial markets in Japan will open up. The interviews were focused more on their business than on their personal lives. These people seemed to be different from the local staff in the Japanese financial firms, and held more central positions in the City. They had graduated from Oxbridge, and socialised with people in British institutions of the City. The reason why they had become specialists in Japan was that Japan was an important business place for the City in the 1980s. Once Japan became less important for the British economy, these specialists moved to other positions, such as within EU businesses.

### *Wives of Japanese male managers*

I met two types of wives of Japanese male managers: one comprised wives who had married after working in the same banks; the others were those who had met their husbands while at university. In comparison, the former were the older generation and the latter the younger. Mrs Ueno married her husband when she was working in the same branch after she graduated from high school. According to Mr Chiba, in his bank, one-third of males marry female staff from the same bank, one-third marry friends whom they met while at university, and the rest marry by arranged marriages. Mrs Ueno

married when she was 25 years old, and has not worked at all since then. She now has one daughter and is looking after her in London, and the rest of her life comprises socialising with other wives of Japanese male managers. She feels her life is now very restricted in London. Surrounded by families of other bank managers in the same bank, she feels that her everyday world has become narrowed. Another wife, in her late twenties, met her husband through social activities at university. She went to a women's university and joined a tennis club. Membership of the tennis club was affiliated to Tokyo University, so she played tennis with the students of Tokyo University.<sup>40</sup> Thus she met her husband. After graduation she worked for a company for a while and married, and then came to London. She thought being in London gave her a good opportunity to gain a higher degree. She was avoiding contact with other wives, and was studying for a higher degree. Her hope is to teach at university when she returns to Japan with her husband.

The male Japanese managers and their families are core people in the expanding Japanese community, and they are separated from the locally settled Japanese. The Japanese, especially male delegates from Tokyo, are the 'élite' company men in post-war Japan who graduated from top universities. Female managers sent from Japan are few, but their educational and family background is even better than that of their male counterparts. However, their position is lower than male managers, and they have not been trained in the same 'generalist' courses as their male counterparts. Furthermore, the EEO Law was counterproductive in that it provided two career paths for women, which divided female staff into two. Young female graduates became divided into 'élite' women and 'supportive' women.

The British staff working for Japanese financial firms in the City were not necessarily 'élite' bankers in the City, except for some senior managers who were invited to the Japanese banks. In particular, personnel managers in general had lower educational and family backgrounds than managers in dealings. British clerks came from the working class and seemed to be happier to work in Japanese banks, which offered secure jobs.

Between the Japanese and British staff there were locally hired Japanese, who were segregated both from Japanese and British staff. Some of them had previously had difficult lives in Japan.

It is clear that we cannot easily generalise Japaneseness and Britishness in work culture, since each group has different subgroups within their ethnic group in their company. The relationships between groups and between the employees and the society to which they belong have influenced their cultural identities.

## Notes

- 1 Another point that appears from Table 3.1 is that there are more female permanent residents than male permanent residents. There are two ways for Japanese immigrants to gain permanent residence. One is to request permanent residence

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- after working for a certain number of years in this country as a person who has a special skill not held by people in this country; the other is to marry a British partner or European partner from an EU country. Table 3.1 suggests that Japanese women are more likely than Japanese men to find partners and to gain work permits in this country.
- 2 There are also people who never tell the Embassy that they are in the UK, such as students and tourists.
  - 3 There are no statistics in JETRO on Japanese financial institutions in Europe.
  - 4 Some Japanese families prefer to live in South London in a more English environment in order to avoid mixing only with Japanese expatriates.
  - 5 Interview 85, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
  - 6 Both banks merged and became DKB which is now one of the largest city banks in Japan.
  - 7 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994. As for apologies for the cruelty of the Japanese during the war, the Japanese government has not resolved this issue nor the matter of compensation, and the country still stands accused. In addition, a new emerging nationalism is pointed to, 'Japan and the War: The Japan That Cannot Say Sorry', *The Economist*, 12 August, 1995, pp. 59–61.
  - 8 *Guardian*, 19 August 1995.
  - 9 Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten (The Branches of Japanese Banks in London)*, 1992, pp. 36–7.
  - 10 A letter from the supervisor of Japanese banks at the Bank of England, 16 June 1995.
  - 11 British Bankers' Association, *Annual Abstract of Banking Statistics*, May 1995.
  - 12 In Lisa Williams, ed, *Who's Who in the City*, 1993. Japanese bankers and financiers' names are included, but there are few which include personal details, because these Japanese executives in London are global members of Japanese financial firms based in Tokyo.
  - 13 For example, in a subsidiary securities company eight board members are Japanese and seven are British or European. So the Japanese do not control the board.
  - 14 According to the interviewees, compared to financial institutions, Japanese manufacturing factories in Europe and USA have far fewer Japanese employees.
  - 15 Numbers are relatively correct, but staff are changing every day. It is also probable that informants do not remember exactly how many employees they have. When I interviewed a managing director and a personnel manager in the same bank through a different route of introduction, the numbers they gave were different. Japanese-born local employees are included in British staff in this table.
  - 16 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
  - 17 Thomas P.Rohlen, *For Harmony and Strength: Japanese White-Collar Organization in Anthropological Perspective*, 1974.
  - 18 Merry White, *Japanese Overseas: Can They Go Home Again?*, 1988.
  - 19 Tomoko Hamada, 'Under the Silk Banner: The Japanese Company and its Overseas Managers', in Takie Sugiyama Lebra, ed, *Japanese Social Organization*, 1992.
  - 20 Yoshino Kosaku, *Cultural Nationalism in Contemporary Japan*, 1993.
  - 21 One of them mentioned that his family had been influential landowners in the region. In Japan, big landowners lost their lands as a result of the post-war reform by the Occupation.
  - 22 The Sumitomo Group is one of the biggest corporate groups which was originally *zaibatsu*, and the head office is in Osaka. Most Japanese banks have their head offices in Tokyo, but both Sumitomo and Sanwa have their head offices in Osaka.

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- 23 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 24 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994.
- 25 Interview 98, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.
- 26 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 27 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 28 'Tokio' is the official spelling of the company's name.
- 29 Recruitment of new graduate students starts in the spring. Students in their final year start visiting companies and go to interviews. Large and prestigious companies decide on their new employees first, then students who have not been chosen by these companies have to continue visiting other companies. Then they have to take up a second or third choice.
- 30 After the Second World War, male soldiers came back from abroad, and the birth rate increased in late 1940s' Japan. The generation who were born in this period are called 'baby boomers' or '*dankai no sedai* (generation of a mass)'. When they were children they were educated by the new 'democratic' education system which was introduced by the American Occupation. When they had to take exams, they had to compete more than any other generation because of their large numbers. Eventually they were at the centre of the student revolts at university in the late 1960s, though not all of them were involved in the revolts. Among my male Japanese interviewees of this generation, only Mr Ogata said he joined the reform movement at university.
- 31 Ronald Dore and Mari Sako, *How the Japanese Learn to Work*, 1989, pp. 13–15.
- 32 For example, in a City bank with 35 Japanese employees, there was only one female manager sent from Tokyo.
- 33 For the EEO Law in Japan, see Alice Lam, *Women and Japanese Management: Discrimination and Reform*, 1992. Alice Lam, 'Women and Equal Employment Opportunities in Japan', *Nissan Occasional Paper Series*, No. 16, 1992.
- 34 Masumi Mori *et al.*, 'Kintouhou 5 Nen: Joseiroudou ni Okeru Seisabetsu no Genjou (5 Years after the EEO Law: The Present Situation of Sex Discrimination in Women's Work)', *Chingin to Shakaihoshou (The Wage and Social Security)*, no. 1074, January, 1992.
- 35 Stephanie Jones, *Working for the Japanese: Myths and Realities: British Perceptions*, 1991. Jones's study is an exception, but it is based on quantitative research on 100 British executives, so that her study is more about policies than the subjective feelings of the managers or their backgrounds before they joined Japanese companies.
- 36 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 37 'Boom Times Back for City Salaries', *Evening Standard*, 17 May 1994, p. 32.
- 38 Sylvia Walby, *Gender Transformation*, 1997, p. 2.
- 39 I called him Mr Gibson, though he told me I could call him Matthew. I could call female clerical staff Sue, Amanda or Mary, but I could not call Mr Gibson Matthew. This must be a gender bias from my own cultural background.
- 40 Tokyo University, and other universities such as Keio, Waseda, and Hitotsubashi, have some clubs which have female students from other women's universities. At the beginning of the academic year the male students go to women's universities to recruit new members. Some clubs only accept female students from other universities.

## 4

# SEGREGATION AND LANGUAGES OF DIFFERENT WORK CULTURES

Within Japanese transnational banks, there was segregation between the Japanese sent from Japan and their local staff, and within both groups languages of different national work cultures were ‘used’. Despite the existence of various groups in terms of gender, ethnicity and class, relationships between groups are regarded as between national cultures: the British and the Japanese. Between them, there were antagonisms, jealousy and competition, and there were clashes, negotiations, and ignorance of each other, which led to the notion of ‘Otherness’ in their working lives.

These phenomena are often seen as a peculiar ethnic problem of Japanese companies. However, cultural essentialism only contributes to creating the discourse of what is ‘Japaneseness’, or ‘Britishness’. To avoid essentialism, this chapter is concerned with the ‘talk’ about differences rather than trying to define essential cultural differences between the two. The ‘Japaneseness’, which I do not believe exists in reality, can be understood as the way in which the differences are defined in the everyday interaction of these people. For analysing the process of constructing both ‘Japaneseness’ and ‘Britishness’, I attempt to explain why conflicts occurred, how people responded to them and how they talked—or did not talk—about their notions of ‘Otherness’.

I explore how people talked about why segregated management was introduced in these Japanese financial companies and how they tried to solve conflicts between Japanese and local staff through the management structure. Second, I examine how people talked about the differences in work cultures as a way of exploring how our understanding of culture is based on notions of ‘us’ and ‘them’. Finally, I examine how these people confront problems of language, which itself constitutes an important part of cultural identity.

### **Duality of the management structure**

The management structures of Japanese overseas companies are not integrated in one line, despite their intention of creating hybrid global companies, especially those of white-collar managers. The difficulties became apparent

when Japanese companies began to expand in the West. When Japanese banks first entered international financial business in the early 1970s, the problem for the Japanese was how to adjust to the environment in British banks. Mr Endo, who had been working for a non-life insurance company, described what it was like when he came to London in the late 1970s, 'My company sent only one representative to London, and our company did not have a licence in London, so we rented a room in a British insurance broker company and there was nothing but a desk in the room'.<sup>1</sup> When they went out for meals, they did not know how to order and had to find a way to assimilate the ways of the City. These Japanese businessmen, the first to establish their business in the City, struggled alone in the British environment. Even now, in some joint venture companies of fund management, Japanese bank managers are surrounded by an excessively English environment. In this early stage, dual management structures were not so clearly established as now.

However, Japanese management began to insist on having Japanese environments when the Japanese banks expanded rapidly, especially in the 1980s. They employed more local people, and as a result, clashes between the Japanese bosses and the local clerical staff occurred. Sue, a clerk who had been working for a Japanese bank since the mid-1970s, described how the bank changed in the 1980s.

About ten years ago, it wasn't working out. In our department we had many girls, young girls. Probably about 10 to 15.... There were a lot of bad feelings. The Japanese manager upset the young girls.... Some of the young girls weren't properly trained. They weren't doing their jobs properly. It really wasn't their fault. They just hadn't been trained. A Japanese boss often threatened them with the sack, this kind of thing. He used to behave badly towards them. And we had a big argument. Then they decided it would be better to have an English manager. They brought somebody in. In the end we borrowed a manager from an English clearing bank. And everything calmed down.

The clash was about how to deal with the clerical work. Japanese managers, in general, were not satisfied with the British way of doing clerical work, which was 'slow', 'incorrect', and 'irresponsible' according to the Japanese managers' ideas of clerical work. Whenever Japanese managers complained about how the British clerks carried out their work, troubles occurred. Then, the Japanese found a solution for avoiding the clashes by employing a British senior manager. As a result this story about 'the Japanese manager' became a legend:

He was very strict with them. They got very upset. He was rude to them. I mean, one young girl... She made mistakes. Just a clerical error, but it cost the bank about a hundred pounds. The bank lost a hundred pounds. So he took her in a room and he told her she was

doing her job terribly. Would she leave, that kind of thing. And then she complained. And then actually he talked to a number of other people in the same way. She wasn't the only young girl he spoke to. This girl was seventeen, you see, this man was in his late thirties or forties. He's supposed to be an authority. He was really using his power over the girls by frightening them. So, she left in the end, after a few months. He was Japanese. It was his personality. Anyway he got sent back. Eventually he upset lots of people.... After he left we had an English manager.... It was quite successful. At that point the bank expanded. I think the staff doubled. They continued to have English department managers. We don't have any Japanese in our department at the moment'.<sup>2</sup>

In Sue's version of the story, the Japanese boss was an ill-natured and harsh person, but the young British clerk was an innocent girl.

The reason for the clashes seemed to be, first, the increasing number of Japanese expatriate managers. More Japanese came to the City, including more ordinary Japanese, who had not been exposed to Western cultures before. When there had been only a few Japanese, the personnel department in head offices had sent expatriates who had had more experience of the English environment, and knew the cultural gaps. Sometimes, local staff met upper-class Japanese, especially in the *zaibatsu* banks such as the Mitsubishi Bank or the Mitsui Bank. Sue worked for a relative of the Japanese emperor in the 1970s, and she explained that the clerks had 'been treated very well' by the Japanese who had come before the expansion. Sue thought that the Japanese sent from Tokyo before the expansion of the 1980s had been more cosmopolitan in outlook, and from important families. However, when the number of Japanese managers increased, 'things got changed. When we had this awful manager, that was about the time when we got a distinct change in the class of person being sent over'. Then, she said, 'We had more clashes'.<sup>3</sup>

Second, when the purpose of the bank being in the City had been for gathering information and doing banking business following trade between Japan and Europe before the expansion, the work had not been so rigorous for either Japanese or local staff. However, when Japanese banks and securities houses started more substantial business, they had to have higher productivity. It was at this time that Japanese staff began to insist more on their own work ethic.

Third, when there had been very few Japanese, they had tried to learn from Western culture, but after their numbers increased, they tended to gather together, and it was easier to insist on their own ways of working. The older generation, who worked in the City in the 1960s and the early 1970s, pointed out that it is now easier for the Japanese in the City because of their increasing numbers. It may also be said that recognition of the economic power of Japan

might have made Japanese managers more confident in insisting on their own work culture.

The Japanese banks had to find a solution to these clashes between Japanese managers and local staff. Mr Jinbo, working in London in a city bank, experienced the expansion. When he was assigned to London in the early 1980s there were 23 Japanese and 47 British staff in the bank. They only had one branch and did not have subsidiary companies. In the mid-1980s, the bank set up a subsidiary company. As a result, they now have up to 240 local staff in the branch and 200 local staff in their subsidiary company. Within ten years, the local staff had increased ten-fold:

In the early 1970s, important sections were occupied only by Japanese staff. The procedures which might have caused substantial risk were double-checked by the Japanese every time. Anything could have happened if we had given local staff responsibilities. The quality of local staff was really bad. When I first came to London in 1982, what all the Japanese were saying was that the quality of local staff was really bad, their standard was the lowest. That was the common complaint among Japanese staff.... To sum up, the bank did not employ good staff, the bank did not give responsibility, and the bank did not train local staff. There were some reasons for this. First of all, the status of Japanese banks was very low, so Japanese banks weren't able to recruit good staff. In the period of strong trade unions when the Labour Party had power, such staff had bargaining power. If we had increased such staff, the Japanese would have been overwhelmed by them. So, in the 1970s Japanese banks increased Japanese staff to respond to their business expansion.<sup>4</sup>

The expansion in the 1980s was bigger than that of the 1970s. What happened first was that they had to increase the number of local staff rapidly. There were regulations in Britain that if there was a vacancy, people within the company had to be given the first chance for promotion:

New staff were blocked by these people who had no abilities in management. Newcomers were disappointed by these old local staff. New staff thought there were so many low-level people, and so few responsibilities in Japanese banks, that it was hopeless to work for Japanese banks. New staff did not stay in Japanese banks long. Then we realised the staff who had been here since the mid-1970s were a problem. We tried to give the old staff the same status as they had had previously.<sup>5</sup>

The bank decided to make its own company regulations, and then, what they finally imposed was 'indirect rule, like the British Empire had done in their

colonies'.<sup>6</sup> They employed graduate trainees and taught them 'the corporate philosophy of the company' and these graduate trainees were promoted to senior managers. The Japanese had to find a way of gaining more capable local staff to do new financial business. At the same time, the Japanese staff began to avoid direct contact with local clerical staff as much as possible. Mr Gibson, a clerk who was involved in the trade union activities in Japanese banks, said that he was assigned to the busiest section in order to stop his union activities. However, the assignment was made by a senior British staff member:

I must add that the person responsible was English. Not Japanese.... The person responsible for this move, was the Number One English manager. In other words, I want to make sure that you don't blame the Japanese for it.... And he was acting, obviously, on, probably... he was probably keeping the Japanese managers happy. But although they didn't directly instruct him to do it, he probably did it so that he could tell the Japanese bosses what he had done. So I suppose, indirectly, you could say....<sup>7</sup>

Other Japanese banks followed these large banks, and employed British personnel managers in the late 1980s, and started to establish personnel departments in their banks, following the British custom and its employment laws.

As a result of this structural change, what happened was that Japanese staff and British staff became segregated. Yet, Japanese managers call this separation 'localisation' or a 'hybrid' culture. Mr Jinbo commented on the dilemma:

It doesn't work if Japanese ways are applied to Japanese companies here. It also doesn't work if British ways are adopted, because in that case corporate identity would be completely denied. Therefore, it is necessary to establish a middle way, a 'hybrid' culture which is neither Japanese nor British. It is very important what kind of 'hybrid' culture is created, and the company changes according to the 'hybrid' culture. If the people who established the culture move every three or four years, the culture will change rapidly. If there are many who want to establish a 'hybrid' culture, it works very well. Both Japanese and British cooperate in that. Yet, Japanese managers return to Japan after two or three years, then new Japanese staff come, and the awareness that we need a 'hybrid' culture disappears. In order to maintain that 'hybrid' culture, we tried to employ local senior managers for continuity. We selected very good human resources taking many years, educated them, and invested in them. They still stay in this company as senior managers. They are responding to our expectations.<sup>8</sup>

As a result of this new policy, there emerged, according to Mr Jinbo, a new culture which is ‘a culture that is neither British nor Japanese. It stands on the compromise line where our bank can be our bank and the British staff can be British. The culture is very fragile in some sense’.<sup>9</sup> Another Japanese bank manager was also proud of the hybrid culture:

The Japanese have long-term views, can consider the standpoints of others, and are familiar with lifetime employment. However, local staff are individualistic. They assert their opinions strongly. And they have a shorter rather than long-term perspective. They think their business is more deal oriented than relationship oriented. They do not have long-term views. My most important task is not to judge which is better, but to integrate both cultures and how to ‘*Aufheben*’ the two cultures.<sup>10</sup>

As these two extracts demonstrate, it was a big task for the Japanese senior management to establish an environment in which the two groups could work together. However, their solution was to establish a segregated management for Japanese and British staff. And this policy was termed ‘localisation’, namely giving responsibility to local workers to some extent.

### **Segregation between Japanese and local staff**

As a result of so-called ‘localisation’, relatively large Japanese financial companies such as city banks had certain structures in common. In each company, there was a top manager called a managing director or a chairman. The top managers were all Japanese, and they were usually members of the board of directors in head offices in Japan. Under these managing directors, there were some deputy managing directors including both Japanese and British managers. The structure of management presented here is based on information from the interviews. All the management of internal matters in the companies and Japanese-related business such as transactions with Japanese customers in Europe were controlled by Japanese managers. Controlling the structure of organisations, operating the budget and making final decisions were also the responsibility of Japanese senior managers. Business with British domestic and European customers was conducted by British senior managers. Normally they were among the top senior managers in British management. New financial business such as ‘derivatives’ or ‘project finance’ was also taken on by British managers. Yet, according to British managers, Japanese head offices began to distrust British senior staff after the losses from lending which occurred in the late 1980s. In addition, every transaction had to be agreed to by head offices before being contracted. This made local staff, who believed that individual responsibility and achievement were the most important values, demoralised and unable to work to the maximum of their abilities.

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The personnel management for Japanese managers, sent from head offices in Japan, was undertaken by a Japanese joint managing director in London and personnel offices within Japan, not by British personnel managers at all. British personnel managers only had responsibility for the personnel management of local staff, including locally hired Japanese women. Despite their responsibility for the personnel management of local staff, they had few powers. For example, a personnel manager said that even if she wanted to spend ten pounds she had to ask her Japanese bosses.<sup>11</sup>

Clerical staff in back-up offices were British, mostly women, and had few direct contacts with their Japanese bosses. They reported to their British bosses and worked with local staff. Therefore, ‘localisation’ seems to have been successful in their management.

Between the Japanese staff and the British staff were locally hired Japanese women who did intermediate jobs such as secretarial work for Japanese bosses, translations and work in cashiers’ offices. These Japanese women knew both the Japanese and English language, and did some work not undertaken by British female staff, such as looking after Japanese bosses when they first came to Britain. The calculation of Japanese bosses’ salaries was also undertaken by these Japanese women. Fuyuko said that salaries of Japanese

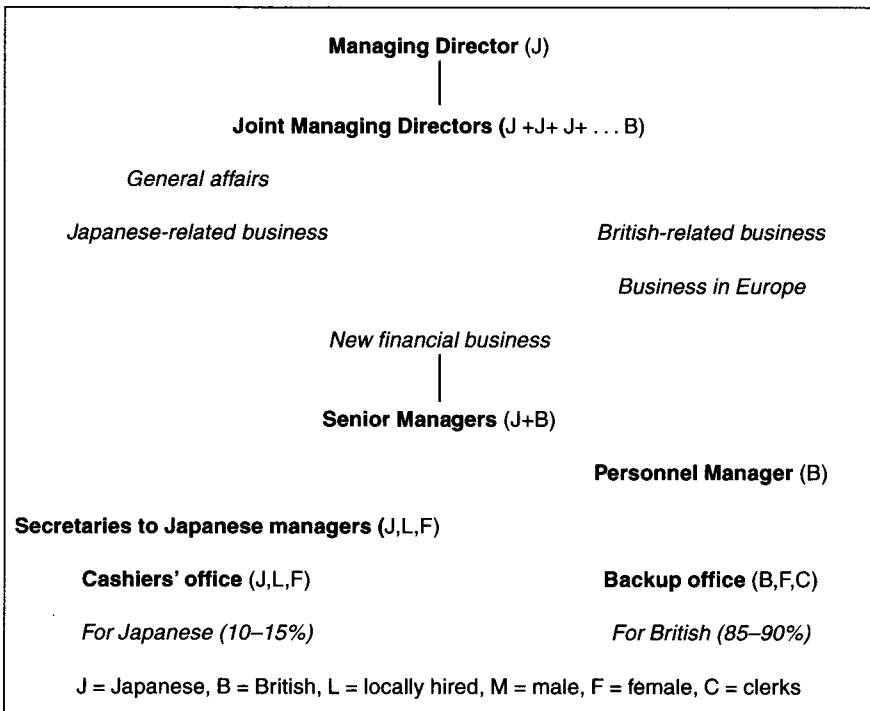


Figure 4.1 The structure of a Japanese transnational financial company

bosses and British staff were very different so that they did not want the British staff to know about the gap. These women were considered very useful, but their position was insecure.

The management structure looked integrated, but in practice it was segregated between British and Japanese staff. As a result, there were two lines of control: one, the official line for reporting from lower workers to their bosses, according to official orders in the companies; the other, the unofficial reporting path among Japanese staff. For this purpose, Japanese middle managers were located between British and Japanese reporting lines. Ms Ono said, 'My direct boss is British, but I also report to my Japanese bosses as well'. Mr Honda said, 'I often said to the young Japanese that it is important to make sure their British bosses are comfortable and working hard'. This duality of management is not officially admitted, and Japanese bosses said that they were trying to create anew 'hybrid' culture. The structure of companies seems to be integrated in the multiethnic companies, but, in fact, it was dually structured in reporting lines and responsibilities. Mr Yates explained:

It's almost like there are two banks in this building. There's a European bank and a Japanese bank. We work in the same building, sit alongside each other, but there's very little intermingling, if you see what I mean. We have Europeans that work in a European style, with European customers, and European products. These people arrive at 9 a.m., and go home at 5.30/6.00 p.m. Now, the Japanese bank, that deals mainly with Japanese customers, and dealing with Japanese administration, this part of the bank comes into work at 9, and leaves at 9/10 o'clock at night—traditional Japanese, very hierarchical, saying, 'You will do this', 'You will do this', 'You will do this'. So we have a strange balance of, if you like, two, almost totally separate banks, within a bank.<sup>12</sup>

There was little communication between the two groups inside Japanese financial companies. A clerk observed the situation as follows:

There's a big communication chasm, if you like, there's a big gap between what's going on and what we're told, which is...you can always find some Japanese person who will feel they should tell you what is really going on. I mean, the last restructuring, we didn't know about it until the... It happened on a Monday, and we knew about it on the Thursday, but only because we were in a taxi with one of our Japanese colleagues. We knew something was going on, and we told him we weren't going to let him out of the taxi unless he told us what it was! But only jokingly! And so he just started laughing, and he said, 'Oh, they're going to move all the departments round'....

So...we never know, we don't know till the last minute... I mean, in my opinion, by not communicating, you create uncertainty and resentment, and all bad things, because people know that something's going on, because lots of people are rushing off to meetings, and carrying lots of bits of paper around, and so you know something's happening. So if someone just said to you, 'There's going to be a reorganisation of the branch', you know, 'it may involve this, it may involve that', then you could think, 'Oh well...'.<sup>13</sup>

Her comments showed how lack of communication had caused uncertainty among local staff. There was then a strong belief in Japan that 'localisation' of Japanese transnational companies was necessary.<sup>14</sup> But it was still difficult to localise Japanese financial companies. The dual structure between parent companies and subsidiary companies has been considered as a contribution to 'the successful Japanese system' in previous research on manufacturing industry. However, in Japanese financial institutions in London, the duality of the structure caused problems both in business and in the management of companies.

In parallel with the segregated management structure, there were differences of salary systems and promotion between Japanese and British staff. The Japanese managers were given salaries based on the seniority payment system in Japan. Also, they were given an additional payment for working abroad, so that they could double the salary they got in Japan. In addition, they were given bonuses twice a year, in summer and in winter, which are considered as part of the normal salary structure in Japan. They were also provided with a house by the company because of being abroad. It can be said that the high standard of living in Tokyo may have underlined the different levels of salaries for Japanese managers who are Tokyo-based, and locally hired staff. In contrast to the Japanese salary system, British staff received salaries according to the contract which they signed when they joined the company, though some British specialist managers had been head-hunted and offered extremely high salaries.

Locally hired clerical workers had been given some seniority payments, and were relatively satisfied. Mr Gibson, Sue and Jane had become senior clerks after working for some years. Mr Gibson said that his salary was better than that of any of his friends.

However, specialists in new financial skills tended to feel that they would have had higher salaries if they had gone to other companies. Salaries for financial specialists in Japanese banks in London, especially since the recession, had become lower compared to other foreign banks.<sup>15</sup> Japanese bosses said that they could not afford to pay high salaries like American companies, given the restrictions of the Japanese seniority payment system. They argued that Japanese seniority payments offer salaries for a lifetime of work. According to their arguments, the salaries of Japanese middle managers are not high in relation to their work, and bonuses are not paid according to achievement but as

a supplementary salary. Japanese management argued that this was why Japanese companies could not pay a high salary to middle-aged staff.

The most serious frustration for the British managers was the lack of promotion prospects. By contrast, Japanese managers in the firms were assigned to work in London as a step in their global promotion as lifetime employees of the company. Usually, Japanese managers who went back to Japan were promoted to higher positions in Tokyo head offices. Then they became more important managers in that area. They are sometimes sent to another important financial market such as New York, Hong Kong, and so on. However, local staff are employed within London branches, and therefore have almost no possibility of being promoted to head offices in Japan or to other financial markets. Local staff have to stay within branches or subsidiary companies unless they resign from these Japanese banks. This is especially hard for the ambitious male local staff. Mr Walker said:

I am thinking of asking, can I go and work in Tokyo? For maybe two years. So if I get that, because I like this bank, I like Japanese culture, and I'm happy. So I think it would be a good thing for me to do. And if I want to progress any further, I think it is something I will have to do. My big problem is the language. So, anyway, I have to talk to my boss about that. I asked him three years ago, and he said, 'Anything is possible, but nothing is guaranteed'. So.... Maybe.<sup>16</sup>

British managers had to see young Japanese colleagues coming over to their offices and going back to head offices with promotion. It was particularly difficult for local staff members confident in their skills or knowledge of new financial businesses. Local managers thought their Japanese colleagues did not know enough about business in London, but the Japanese staff were nevertheless promoted to head offices. The British staff felt this was unfair. Mr Green expressed his bitter feeling:

I would never be on the board of this bank. I know that. The situation may change and I hope it does. The highest position I could attain is probably the head of syndication. There are two banks. There is the Japanese which is the career bank and controls, and there is the local bank which is for local staff.<sup>17</sup>

On the other hand, the Japanese managers expressed mistrust of their local staff. They said that local staff move to other companies and that Japanese companies are just stepping stones for the local staff. Against this, local staff said they had come to Japanese companies to contribute to them. Besides, they had been seeking securer jobs. However, they had not been treated as equals with the Japanese staff, so they might have to leave. Table 4.1 shows the rate of turnover in a city bank.

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Table 4.1 Turnover of local staff in a city bank in London

	<i>No. of staff at beginning</i>	<i>No. of leavers during term</i>	<i>No. of staff at end of term</i>	<i>Staff turnover (%)</i>
October 1986 to March 1987	92	18	99	18.85
April 1987 to September 1987	99	20	112	18.96
October 1987 to March 1988	112	18	132	14.75
April 1988 to September 1988	132	27	159	18.56
October 1988 to March 1989	159	30	177	17.86
April 1989 to September 1989	177	36	201	19.05
October 1989 to March 1990	201	42	215	20.19
April 1990 to September 1990	215	38	231	17.04
October 1990 to March 1991	231	20	240	8.49
April 1991 to September 1991	240	29	242	12.03
October 1991 to March 1992	242	28	243	11.55
April 1992 to September 1992	243	27	233	11.34
October 1992 to March 1993	233	18	233	7.73
April 1993 to September 1993	233	26	224	11.38

Source: from a branch of a Japanese city bank in London

Table 4.1 shows how rapidly this bank had expanded from the late 1980s, and how the rate of turnover declined, which seems to suggest that Japanese banks have been successful in ‘localising’ their banks. However, this table includes the clerical staff who stay relatively longer in Japanese banks; the turnover of specialist managers is higher than this table indicates. The frustration of the British staff began to appear as accusations of racial discrimination in Japanese companies in the 1990s when Japanese companies had also begun to make staff redundant as a means of survival in the severe recession after the boom.<sup>18</sup>

As we have examined above, Japanese financial firms had established segregated management under the guise of ‘localisation’ by the 1990s. When these Japanese firms expanded they thought it was best to avoid contact with local staff as much as possible. Segregation affects management structures, everyday contact, promotion and salary systems. The question will be how these employees perceived this segregation.

### Languages of different work cultures

In these Japanese companies, people have different views on work attitudes and lifestyles. It struck me that individuals with different views had not exchanged them directly. If they could exchange ideas and share knowledge, they would create a new working environment for this new ‘globalised’ era. However, both the Japanese and the British staff talked to me about their different views of work and life. Exchanging ideas and getting closer to working together seemed unlikely to happen in these companies. Furthermore,

what was happening was that people made contact with each other on the borders of ‘different’ cultures but this only served to emphasise differences: the ‘others’ were being defined in their everyday working lives.

It would be more important to examine how people talked about or emphasised the differences between the two than trying to define what the essential differences were between the two groups. The schemata I have chosen are often talked of as ‘the unique Japanese work attitudes’, or ‘the uniqueness of Japanese corporate culture’.

### *Specialist versus generalist*

Specialist and generalist managers are defined in Japanese companies. In Japanese financial firms, the distinction between British managers and Japanese male managers was talked of as the difference between being ‘specialist’—those on the move for better opportunities and ‘generalists’—those working as lifetime employees. According to the typical Japanese management system, core Japanese male generalist managers are recruited only from among new graduates of high-ranking universities, and they are trained upwards, from the bottom position in their firms. They move around different sections of the company in order to learn as much as possible about the whole situation of the company. The Japanese bank managers interviewed for the book themselves used the term ‘generalists’. Because of this policy, there were sometimes Japanese male managers in Japanese financial firms in London who had had no experience of international banking, but who had been assigned in order to experience the business of the City for a while. As they were described in Chapter 3, they are called *kokunaiha*, in other words, ‘domestic’ businessmen. They shared a sense of solidarity among themselves. Mr Aoyama commented on the group:

People in Japanese banks are a group who have a homogeneous culture. To put it in an extreme way, workers in Japanese companies work without any orders from above. Our organisation is not an organisation which consists of people who work for their remuneration here and now. People do not work for their present interest, but for their long-term prospects; for example, if people think that it might be useful for their future or it would be good to learn something, they are willing to do so. If I compare this with agriculture, we need both harvest and seeding and ploughing. The advantages of a Japanese corporation is that we can cover many aspects of activities within it. In this sense, stability of employment may be effective.<sup>19</sup>

As this extract shows, these Japanese managers are trained for the long run. So, they did not worry about doing relatively menial jobs in the first few years after they joined banks, because they knew they would move up from the

initial positions. Mr Yasuda spent two years reading telexes in his London branch in the 1970s. He did not complain about this, because he knew it was a temporary responsibility. Furthermore, he said it was a good job, because it gave him the opportunity to learn about all the important matters in the branch through reading telexes. The expected promotion for 'generalist' managers gives them stability and trust of the organisations to which they belong.

Japanese managers consider British managers to be 'specialists', employed for their 'special skills' to do business in the City. British managers are not asked to move around the company, but work according to contracts made with companies when they joined. Their salary does not vary with seniority. Japanese managers accepted that they then had 'excellent specialists from Oxbridge', but said that their British staff would not stay in their companies for years.

It is difficult to judge whether the British leave the companies after two or three years because they are following their own career strategy, or because they are not expected to stay in the companies longer. British staff emphasised their 'skills', 'expertise' and 'experience' in comparison to their Japanese bosses. Mr Harding, a British personnel manager, explained what personnel managers should know:

Well, I think you need to understand human psychology, to some extent. On a practical level, you also need an understanding of employment law on pay and remuneration generally, on training methods and values, and good personnel practice generally.<sup>20</sup>

He said, Japanese management is 'fairly unstructured, in a way, because people are expected to grow into jobs, and be generalists, to some extent'. However, in London, British staff 'require a specialist training, or come in with specialist knowledge and experience'. He also explained how British staff expectations differ from those of Japanese managers in their career courses:

We recruit small numbers of graduates here, maybe six or ten a year, and they lead a more independent existence. They specialise more than would be the case in Tokyo. They specialise by product, and by function, and by department, whereas in Tokyo, they would work their way through a number of departments before specialising, as I understand it, and their progress would be fairly slow and measured over a number of years. However, graduates joining this branch in London, would expect to be fully effective and working with the minimum of supervision after one year. And they, and the company, would not really be making a lifetime commitment to each other, unless the rewards and the career progression were seen to be very swift and effective. The expectation of graduates in London, short-term, are much greater than those of graduates in Japan.<sup>21</sup>

Mr Harding thinks British managers develop their skills, but the Japanese are behind in this matter:

Well, my experience is, it's mainly the English and American way, and the Japanese are beginning to learn that way. I don't think Japanese managers have much formal training in managerial skills in Japan... The Japanese philosophy, to date, has not been for a comprehensive and organised training programme to develop local staff, or even Japanese staff, to provide them with a clear career structure, and to improve the skills, the managerial skills, of the people working in this company. And that's something that, under the chairman that we have now, we're beginning to address and to deal with. But that hasn't been my experience, up until now, that there's been any real commitment to providing that level of training and development. Now, I think that's changing.

Japanese managers looked to be lacking not only in expertise in personnel management but also business skills. Another senior manager also complained that his Japanese boss was not knowledgeable, which caused problems in business. He commented, 'We achieved a lot but not as much as we could have because he (his Japanese boss) did hold things back':

He wanted a report every day and it did not matter what the report said. He just wanted a report. He wanted to show that he was in charge. However, he did not know what he was in charge of. He wanted to control but did not know what he was controlling.<sup>22</sup>

There seem to be two incompatible values held by the two groups, which local staff have already noticed:

My Japanese colleague was employed for a long-term senior career at this bank. I am employed to support this bank in London or in Europe, in specific areas with certain specific skills.<sup>23</sup>

Although the two values were perceived as essential differences of management systems in the two countries, the distinction between two ideal career paths for managers is ideological rather than 'real' in each country. For, in Japan, career paths for 'generalist' managers are limited to only core workers in large corporations. Second, this career course does not apply to female managers, or to lower-level managers.<sup>24</sup> Although lifetime employment is considered as one of the three characteristics of the Japanese management system—lifetime employment, seniority payments, and consensus decision-making—male workers and female workers nowadays leave their jobs sooner and change their places of work within Japan. Therefore, only 16 per cent of

workers are employed as lifetime employees in Japan.<sup>25</sup> Yet, as I have mentioned previously, the Japanese male managers in Japanese banks in London are 'élite salary men' and are employed as lifetime employees. Therefore, they hold to the idea of lifetime employment in Japanese companies more strongly than other Japanese.

As has been pointed out by Dedoussis, the way local staff in Japanese transnational companies are being marginalised is the same as the way employees in subsidiary companies in Japan and female workers in Japan have been marginalised. These workers are sidelined as peripheral managers. Japanese transnational companies apply the same employment system to women and workers in subsidiary companies within Japan as to local staff in London.<sup>26</sup> I am in agreement with this analysis, but I would also emphasise the role of discourse of essential cultural difference, and that Japanese managers are applying the discourse in order to legitimise different career tracks for local staff. Japanese managers strongly believe that local staff like to have 'specialist' career tracks but do not want to be integrated in the Japanese management system.

In Britain, generalist training was in fact common in the past, and still is in large corporations. Trevor *et al.* have already pointed out that the 'generalist' and 'specialist' dichotomy is merely a 'popular view' among managers. In both the British and the Japanese work cultures, there are 'generalists' and 'specialists' in management. In the British Civil Service there are both generalists and specialists, and in big British companies, such as ICI, people have tended to be loyal to the company for many years. In the banking business, and in large high-street store companies, careers have sometimes taken the generalist pattern. Trevor also pointed out that both Japanese and European managers think that the higher-position managers need to have a broader perspective than that of the generalist managers.<sup>27</sup>

It can be said that the tendency to prefer being 'specialists' was strengthened in Britain in the 1980s, because the development of new financial business emphasised the need for new financial business skills. Young City workers wanted to be specialists in this new international financial business. Ms Nicholson, who graduated from Oxford, first joined a high-street bank and gained training of a generalist nature. She moved to another section every six months. She enjoyed training for project finance, but was asked to move to another section. She resigned from her job at the bank, and joined a Japanese bank, which wanted to employ a young specialist for project finance. According to her, most of her colleague trainees in the high-street bank resigned from the bank in order to become new financial business specialists in the 1980s. Pursuing a speciality may be a comparatively new phenomenon in the City.

In response to the British managers' requirements of promotion, Japanese male managers said that local staff members were not patient enough to wait for promotion, but that the Japanese were willing to accept assignments without demanding too much. However, in reality, the Japanese chose their

career according to their own strategies and often likewise expressed their hopes for promotion:

I came to London, because this company asked me to go. That's all. The company send you anywhere by one official letter of appointment. I always said that I do not mind working anywhere, but I always also said that I was interested in working abroad. It was not a strong expression of interest, but I said I preferred to work abroad. I had no strong hope that I would be able to do this.<sup>28</sup>

It is preferable not to express aggressive personal strategies openly, but, instead, put everything down to fate:

I am a 'salary man', so if my company asks me to do something I will do it. I have told them what kind of jobs I want to do, but I have rarely revealed my hopes. I always say that I am happy to do any job... It is fate. I think 90 per cent of human matters are fate. It is valuable to make some effort, but for example, like historical heroes, the heroes could only become heroes when they happened to coincide with events in the world, if they had a little ability... I did not have a difficult time as a salary man, but almost all of my business life has been lucky.<sup>29</sup>

In spite of what they said, they did try to make career opportunities for themselves. They applied to take exams within their companies to go abroad to get an MBA. Mr Ogata also said he worked as hard as he could. He said that he had always worked more than the value of his salary would demand. They talked unofficially to their bosses about their hopes. These Japanese bosses have carefully worked out strategies for gaining opportunities inside their companies. They knew that they were members of the companies from the time that they began work. Yet, they still maintained that they accepted their fate.

In contrast to these discourses of Japanese managers, British managers think that Japanese beliefs display a lack of freedom. Mr Walker said:

In England, if you give someone a job they don't like, they'll leave, yes? So in Japan, that doesn't happen. So you can give someone experience for four years, and they're absolutely miserable and hate it, but they will never leave the company, whereas if you try and do that in England, they would leave, you know, straight away... I think it's caused by, perhaps, the lack of individual freedom in the employment market. So if you have more individual freedom, then you have to treat your staff better. You have to reward the good people, and maybe not reward the bad people.<sup>30</sup>

As the above extract shows, opening up a career through individual effort and speaking out about hopes for the future is appreciated by the British. However, these attitudes are not approved of by their Japanese bosses. According to the values of Japanese bosses, local staff should be ‘patient’.

The expectations of British staff were two-fold; they wanted to be promoted, but they did not want to wait, as Japanese managers did. They came across as extremely anxious about their future. First, they could not understand why their expertise was not valued for what it was. Second, they felt it unfair that only the Japanese could be promoted globally. They emphasised their expertise, but nevertheless they wanted to be promoted globally. Yet, they thought that if there was no chance of promotion in the near future, they would move to another company. This was freedom of employment according to their norms. At the same time, they wanted their future to be secure. Yet, the intentions of Japanese senior management were not clear to the British staff. The Japanese did not consider British staff to be members of the core group, but they wanted to keep good ‘specialists’. This made the British staff extremely anxious.

To solve these problems, the Japanese have introduced another level of segregation. They think that they can promote local staff in wholesale, but not in retail, in their branches abroad, but not in Japan. Mr Miyazawa said:

We could separate our bank into wholesale banking and retail banking. And in the wholesale part it might be possible to ask foreigners to join the board. As for retail banking it is not necessary to ask foreigners to join us. In wholesale banking, we need the expertise, so, we likely to employ experts so as to be competitive with American and European banks.<sup>31</sup>

At the same time, they are also training young Japanese ‘specialists’ for the new financial business, such as fund managers. Yet, key Japanese male workers are still apprehensive about becoming specialists. Even a young manager in his twenties said he had been advised not to choose a ‘specialist’ career.<sup>32</sup> Mr Taguchi described his colleagues who decided to choose ‘specialists’ careers, because they were fascinated by the skills required for the new financial business:

I know two features. One worked for a sister company in the United States for five years, and thought his speciality very exciting. So he decided that his professional work was more valuable to him than his career path in a Japanese company. The other did not have a clear idea that he would have to give up his career path, but he did think that his professional job was exciting, so he wanted to do the same job within a Japanese company... The first one was 38 and the other 32... They made their choices on their own... They decided

before other people talked to them. Japanese companies, or Japanese banks weighted their choice too far towards giving up their career paths as ‘generalists’. Companies force these people to give up hopes for the future which many want to have. These people who made these decisions made up their own minds. So, I was not able to tell them anything.<sup>33</sup>

Mr Hoshino, who was an executive in a trading company was invited to move to an American bank by a head-hunter. However, he decided not to go to the American bank because he thought that it would be too insecure to give up a career in his company. Mr Yamada also considered whether he ought to move to an American or European bank to make the maximum use of his ability and to maximise his salary potential, as he was one of the very few Japanese managers who had new financial experience. Yet he was still hesitant about giving up his hope of becoming an executive in a prestigious Japanese bank. We can see that the ideology of the career paths of generalist managers was strong among these Japanese managers. The ideology made the core workers feel safe and those who were excluded from the categories felt insecure.

To sum up, although differences between ‘generalist’ and ‘specialist’ career courses were talked of as essential in Japanese work culture, in fact they functioned as a means of excluding local staff from this core group. One of the British staff used the discourse of Japanese managers about belonging to a company, but he was not sure that he could persist in his hope for promotion:

I do not feel I just work for this bank. I feel I am a part of this bank. I feel this bank cares about me—almost like a family. I don’t feel that I am going to lose my job. There are many times that I have made mistakes yet I don’t feel insecure. In the American bank, what you have done yesterday does not matter today.<sup>34</sup>

Being treated as ‘specialists’, local staff felt that they could not become real members of the organisations in which ‘generalists’ work for a lifetime period. A sense of being excluded made local staff less motivated. One ironical point is that those who had spent their working life mostly abroad (in other words *kokusaiha*) were, in a sense, specialists who were not considered as the core group—in other words, *kokunaiha* who constituted the main staff in the head office contacting bureaucrats and executives of other companies. Japanese ‘international’ male managers themselves were marginalised by the ‘domestic group’, and they themselves were marginalising the local managers.

### *Individualism versus groupism*

It is also ‘talked’ of that the Japanese work as a group, whereas British or European staff work individually. Different types of work—groupism and

individualism—often become apparent through decision-making. Whereas the form of decision-making in Britain is often individualistic, that of the Japanese is in general consensus-based. They use the *ringisho* system, which means if a core worker in a Japanese company wants to make a suggestion, he has to write a proposal about the issue. Then, he has to canvass opinion from his colleagues and people who he thinks would be affected by his proposal. He has to gain as many ‘*hanko*’ (seals which function as signatures)<sup>35</sup> as possible. After a manager has collected ‘*hanko*’ on his proposal, he gives it to his direct boss, who passes it to his boss. Then, finally, the proposal reaches the top of the branch. When the director of the branch looks at it, almost everyone has already agreed to the proposal. Then the director just does a final check on it. If he agrees with the proposal, he sends it to head office. The final agreement will be made by head office in Tokyo. If the proposal is not judged to be to the company’s advantage, it is returned to the proposer for rethinking.

Japanese managers call their method of decision-making from the ‘bottom up’. It takes time to make a final decision, but during the process of collecting ‘*hanko*’ almost all those involved in any way with the proposal get to know what is going on. Thus, as many people as possible can check the proposal and there is no one who does not know about it. In addition, they share responsibility for it. Mr Matsuda told me that it was also regarded as a skill for a worker in a Japanese company to decide whose agreement would be necessary for a proposal. From the Japanese point of view, although the Japanese procedure takes time, in this way many people can be involved with every idea. However, if decision-making takes place according to the British model, all the work is separate and if someone makes a mistake no one else can follow it up and remedy it. Accordingly, the Japanese consider that British decision-making is done from the ‘top down’. Usually it is impossible for the top manager to know the practical problems, so the ‘bottom up’ way is much better than the ‘top down’ way. In one bank they have compromised and made rules that British managers have to collect a certain amount of ‘*hanko*’ as proof they have consulted with certain people and they have to write a proposal not ‘to someone’, but ‘about the issue’.

Local managers found difficulty in accepting this as a meaningful process of decision-making. They tend to report only to their direct bosses. The British or Western way of decision-making is, spoken of as more individualistic. This is another point on which Japanese managers and local managers clash. This time-consuming style of decision-making, namely the *ringisho* system, is very frustrating for the British managers, who think it a waste of time, whereas for their part, Japanese managers think the British staff do not know how to work as members of a group. One British senior manager accepted that ‘the *ringisho* system is very important in manufacturing industry’ and ‘it is terribly important why you are making a decision and how you are going to do it. And that if anything is going wrong any number of people can put it right’.

However,

I do not believe that it serves the Japanese financial sector terribly well. It produces lots of very bureaucratic people who spend lots of time reporting about what is going on without understanding, or spend a very long time understanding it. I do not believe that group decisions made in Japan are actually better decisions than decisions made in the Western environment. And if you look at the results of the banks and insurance companies, these trading companies, leasing companies, even the construction companies in the overseas markets, in the last five years they have made many mistakes, and many mistakes I think were to a large extent the fault of the system of making decisions.<sup>36</sup>

However, a Japanese manager in the same company insisted that the Japanese had their own way of decision-making:

They think according to theory, but we think according to rules. We know this rule is wrong, because it was decided ten years ago. It is too old, but it is still our rule. If we want to change it, it takes time to get agreement from all the people who have responsibility for the rule. Then we have conflict between British and Japanese staff.<sup>37</sup>

Some Japanese managers accepted that they need more ‘top down’ decision-making. Mrs Akamatsu said:

There is some business which is likely to be successful if the decisions are made by ‘bottom up’ decision-making, and there are other matters which ought to be decided by ‘top down’ decision-making. It depends on the speed of the market they are in. It was good to decide slowly when we did business in the Japanese islands, where the speed is slow. It was also good that there were fewer banks. So we could decide on the dealings. In that case, we could research with enough time, and listen to everybody’s opinion like, ‘Do you also think so? But I think...’. It was good. Yet, now all the money in the world moves as quickly as a flood. By the time we would have listened to everybody’s opinion the situation of the market would already have changed. So in that situation if people in a higher position who know the market well make the decisions and give orders to their subordinates, the company can be more profitable...,<sup>38</sup>

She pointed out the ironic problem of slow decision-making in Japanese banks:

Yet we now have lots of new things which we do not know. So we tend to think about and argue about those matters more. We know

we have to make decisions from the top down, but this is new for us. So, we think we have to learn first...,<sup>38</sup>

So, they spend time discussing how to learn ‘top down decision-making’. It seems that the core Japanese managers believe strongly in group decision-making. But it was difficult to judge in practice how much they had to decide by consensus decision-making, or how much the top managers in London had to have authority to make decisions. Yet, it was often said that top Japanese managers in London are very Westernised and want to change how things are done, but that they do not have enough power to change the method of decision-making. Some British managers said that their proposals for dealing had been refused by head offices in Tokyo. Head offices have strong powers in respect of final decisions.

The method of decision-making seems to be related to a way of thinking. Mr Harrison commented:

I think the British way is to be very much more focused on a certain project, and to be very specific about certain items, whereas I think the Japanese way is to look at all the possibilities on a more general basis, and to try and imagine, ‘What if this happened?’ ‘What if that happened?’ and to look at all angles, and to cover every possibility, whereas I think the British staff would be more focused.<sup>39</sup>

Mr Harrison said that the Japanese way of thinking loses focus, and that it was extremely disadvantageous to show their Japanese ways of presentation to local customers. Whereas, Japanese managers said that their British colleagues do not know how to think about ‘the whole situation’.

### *Assertiveness versus ‘for the company’*

Not only the way of decision-making, but also work attitudes were ‘talked’ of as different between the two groups. The Japanese have an image of the British staff as very self-assertive, very aware of salaries, and of going home without thinking about urgent work for the company. Mr Jinbo analysed the situation as follows:

The biggest difference is in the sense of work. Japan rapidly became a company society from a village society, so for the Japanese, a company is like a village... Japanese company culture is like a village culture. The reason why the Japanese work hard is the fear of being excluded from the village. And they want to rise in the village. The village is always their reference. The village is now replaced by the company. So, people live with the criteria of how high they are

promoted in the company, and how much the company itself is prestigious in society. So, people want to join as big a company as possible, and want to be president of the company, though only a few people can be top of the company, most people have to give up in the middle of their promotion. In such a society like a pyramid, people want to work to get status in society... The final purpose of people's work is to want it to be said that the person is promoted to a very high position by the other people around them. It is like an animal instinct to want to be promoted higher than colleagues, even if by only one or two rungs on the ladder.<sup>40</sup>

He, however, said that British graduate trainees in his company work for salaries and fringe benefits, not for social status. He believed that in this country social status had been decided at birth, so, British staff want to maximise their potential in one company, but if it proves difficult, they leave the company.

In contrast to Japanese views on British work attitudes, most British staff expressed the opinion that they wanted to contribute to the Japanese company. Mr Chambers left his company because he found he could not contribute to it. He felt that he had been excluded from decision-making among Japanese senior managers. Mr Milligan said he was happy when he found he had been remembered by his Japanese colleagues who had worked with him in London and went back to Japan. He said he was happy when he was treated like a family member of the company. Had these people been promoted to Tokyo, or other branches, they would have shown similar loyalty to their companies as the key Japanese male workers. Yet, as they were not given the same opportunities, it is impossible to decide whether the local staff are loyal to their Japanese companies or not. Nevertheless, these criteria are used by the Japanese to describe the British staff.

It may be important that some locally hired Japanese women showed an extremely strong sense of loyalty, though they clearly knew they do not have much possibility of being promoted to high positions. Fuyuko, a locally hired Japanese woman, once said that she was happy when she was told by her boss, 'You are like an important pillar supporting the bank in London. If you were not in this bank, this bank would not work. So, I hope you will stay in this bank for ever'. Fuyuko said that this was really high praise from her boss, so she decided to work much harder than before. Tatsuko, also a locally hired Japanese woman, said she worked very hard, though her salary as a cashier was very low. Then she described how the company accounts contained many mistakes, so she checked the figures, and corrected every mistake for the company, working until very late every day. Both Tatsuko and Fuyuko were in their fifties and showed a strong sense of loyalty to their companies. They used the word meaning 'for the company' repeatedly. Both of them were trained in Japan as bank clerks when they were young, so they may have internalised the phrase in their work

attitudes. 'For the company' is a forceful expression which is evaluated as 'good' in Japanese employees' talk. In general, the Japanese who are older have the sense of 'for the company', but the younger generation of Japanese, especially younger locally hired women, show less enthusiasm for the phrase.

In contrast to Japanese clerical staff who expressed a feeling of 'for the company', local clerical staff did not share such a sense. They seemed to know that this was a false image which offered them no reward. Sue, a British clerk, said that she hung up her personality when she hung up her coat on entering the company office. She said she did her job just for the salary. Laura, a British clerk in her twenties, now studies banking business independently. She wants to be a dealer, which could give her the opportunity to gain a higher salary. Jane now has responsibility for signing the cheques which are issued from the bank. She is proud of her job and has been working for the company for more than 20 years. None of these women has been especially happy working for Japanese companies as clerks, but they have been to some extent satisfied by their positions and their salaries. They have worked as much as possible to gain promotion and higher salaries, but not 'for the company'.

'Loyalty' is a word favoured in the language of Japanese work culture but not given such high esteem in the English work vocabulary. Instead of the word 'loyalty', English senior managers use the word 'contribution'. Both words suggest a sense of belonging to their companies, but the degree of belonging differs according to the positions of the employees and their understanding of the term. British clerks give the least sense of belonging to their companies. By contrast, Japanese male managers, female managers and even locally hired Japanese women very much emphasised their sense of belonging to their companies.

British senior staff showed that they felt excluded, though they also wanted to be core members of their companies. Both Japanese and British can have a sense of belonging to their companies. It would not be true to say that the Japanese essentially have a stronger sense of loyalty than the British. The strength of their loyalty is related to their distance from the core positions in their companies. Yet, some locally hired Japanese like Fuyuko and Tatsuko, who were considered the lowest grade by both the Japanese and the British, showed the most extreme sense of belonging, as if they were imitating the core people in the companies. Their illusion might be seen as a driving force of the Japanese economy, though it is questionable how long such false images can remain in Japanese society.

### *Work efficiency versus 'work until late'*

The 'long working hours' is one of the issues most talked about by interviewees and is recognised as being part of the Japanese work culture. It has also been proved statistically that the Japanese work longer than Westerners, even

though the recent recession reduced the working hours of the Japanese.<sup>41</sup> In addition, a White Paper published by the Japanese government pointed out that the working hours of male white-collar workers have not declined in Japan. For example, in the service industries, 23 per cent of male workers work more than 60 hours per week, with 75 per cent of the work after 5 o'clock being done voluntarily, and only 10 per cent on the orders of bosses, or planned.<sup>42</sup> Therefore, although the working hours of blue-collar workers are decreasing, and the government aims to reduce them to 1,800 hours per year, white-collar workers' working hours in Japan are not decreasing.

The extreme example may be the working practices in Japanese trading companies. A senior manager in a trading company, who has responsibility for the finance of the company, told me that newcomers to the company had not gone home for two weeks when the company had been busy. The young subordinates slept in a meeting room of the company. The manager was proud of these subordinates.<sup>43</sup> These Japanese male managers are proud of their long working hours, although problems arising from the long working hours, such as *karo-shi*, or sudden death caused by the stress of extremely long working hours, are considered to be a serious problem in Japanese work culture. Key Japanese male workers think their long working hours prove that they work harder than Westerners. Mr Taguchi, a Japanese managing director, in his forties, said:

That is the only reason why the speed of economic development in Japan and Britain has been so different, isn't it? ...For example, if someone is asked to do something in two days, the Japanese do it the best. The Japanese manage to finish it within two days, even if they have to work about three hours after 5 o'clock. Then, they feel satisfied. British staff say that they will do it, but they cannot. They say, this happens, that happens, so and so, then it takes four days. This response may be common in Britain, and British people respond like this. So, as a result, the Japanese can do something in two days, but the British can only do it in four days. So, the pace is half in this country. We must consider what would happen if this continued for 30 years. It's not an issue of the value of a human being, but I think the speed of material, economic development is clearly shown in these kinds of facts.<sup>44</sup>

As Mr Taguchi's words indicate, from the Japanese viewpoint, Japanese work discipline is much more task-oriented, with less demarcation between life and work, but the British work ethic is more time-oriented. In order to finish their tasks as soon as possible, these Japanese managers even work weekends. Mrs Akamatsu said that she left her house between 6.30 a.m. and 7 a.m., arriving at work before 8.00 a.m. She went back home around 10 p.m. She often came to work during the weekend, because she could not finish her

work during the week, and she said that she could concentrate more on her work during the weekend. She added that she had not been sightseeing and had had no leisure activities since she came to London two years previously.

In contrast to their self-image of being hard-working, the Japanese regard the British as being time-oriented. Mr Hoshino said:

I did not hear it directly, but it is said that a British member of the staff queried, ‘Why do you work until so late at night? If some work remains to be done after 5 o’clock, you could go home and continue it the next day, couldn’t you?’ The Japanese do not have such a concept.<sup>45</sup>

However, the British staff’s own self-image is of being hard-working with a task-oriented attitude towards work. Mr Miller, a personnel manager in his fifties, claimed:

I come to work at about a quarter past eight in the morning. In fact, I was here shortly after half past seven this morning. I seldom ever leave the office before 7 o’clock at night. Sometimes, I’m here longer than that. I am dealing with the salary review. On this salary review, we are working here until 11 o’clock at night. So, it’s not true to say simply that the Japanese *do* work long hours, and the local staff don’t. That’s not correct. Yes, the Japanese *do* work long hours, but sometimes socialise during those hours, and the local staff *do* leave early sometimes, but quite often we work for long hours in this branch. Both of us can, and *do*, work very hard.<sup>46</sup>

Not only did these British managers claim they were as hard-working as Japanese, they looked at the long working hours of Japanese in a completely different way from their own work disciplines. Mr Miller said:

Japanese tend to work very hard. This is the idea.... The Japanese are here for long hours. But they don’t work all of the time. They socialise here as well. Because you have to remember they are foreigners. So, they get together, socialise where groups of them are, which is at work primarily. They may want to try to please their boss, and want to show that they are working hard, and sometime they will work very hard. Because head office makes these demands. The Japanese head office can only be satisfied with Japanese members of the staff because of language, and therefore the Japanese staff have to stay for long hours in their offices. There is this pressure on them. And of course there is the additional pressure on the Japanese staff—how they perform here affects their future. They must work hard, very determinedly with a strong sense of commitment, because

their next assignment will be affected by their assessments in this branch. The local staff also work long hours here, and the difference is that the local staff actually have to do that.<sup>47</sup>

As Mr Miller's comments on the long working hours of the Japanese indicate, the British staff deny that the Japanese managers are hard-working. Because of my own cultural bias as a Japanese, I was very surprised when I was told by the British staff that the Japanese are not efficient because they cannot finish their work by 5 o'clock. I had never doubted that the Japanese work very hard and efficiently. Furthermore, I was told that the Japanese work until late at night because they fall asleep in the morning, or read newspapers, without doing any substantial work in the workplace. Sometimes, even, the Japanese practise their golf swings in the office! British managers also complained that their Japanese bosses started meetings just before 5 o'clock. What a difference there is between the self-image of Japanese managers as hard-working people, and the local staff's view of the Japanese which is of inefficient, lazy workers! From the Japanese managers' point of view, 'long working hours' means task-oriented hard work, with their life being dedicated to work. They even think that work enhances their personal lives. However, the British staff hold a different view: that the Japanese do not make efficient use of their time, and stay late at work in order to please their bosses.

These are two contrasting evaluations of the long working hours based upon different concepts of work and life within the same companies. In addition, the two evaluations are emphasised in the power relationships of the groups. The Japanese male managers are the most powerful managers inside the organisations, and their praise of their own attitudes towards long working hours are signs of their expressions of powerfulness. Moreover, the Japanese and the British leave in accord with the office hierarchy, with the less senior members being the first out of the door.

British staff had been afraid that they might be asked to work like the Japanese company men before they joined Japanese companies. Yet, they were not asked to work like Japanese male managers. Long working hours are neither expected of local managers nor of Japanese female staff or local clerical staff. Miss Ono, a young ambitious female manager sent from Tokyo head office, said, 'When I was working at head office, I had to work late at night, but I had a limit. Women had to leave the office by 9.50'.<sup>48</sup> The bank Miss Ono works for did not allow women to work as late as their male counterparts, though in another bank, Miss Tomoda stayed in the office until after the last train had departed. British managers are expected to stay in the office until 6 or 7 o'clock. Elaine said:

My Japanese manager does not think that I am working hard unless I am in the office till half past six every night.... My British manager told me about my appraisal mark and he told my colleagues as well.

And my response was that I would work when I have work. If this bank wants to get rid of me because they think that I am not working properly, then that is their decision. In fact, there is more to life than exhausting oneself working for the bank. I know that when I am tired I don't work effectively or efficiently. I think that is a very difficult concept for the Japanese people. In my view, if I have lots of work then I will work until very late, but when I do not have much work, then I will leave the office earlier. However, the Japanese do not think like this. And when they do not approve of me leaving the office at five, they do not tell me directly but tell my British boss instead... He said if I want to be promoted to a manager in October this year, then I have to do what is expected of me. To be honest, if they do not think that what I am doing is good, then I do not want to be a manager.<sup>49</sup>

In contrast to British managers, local clerks are not asked to work until late at night. They leave their offices at 5 o'clock. Mr Gibson, a clerk who had worked for his bank for more than 20 years, said, 'I sometimes take revenge upon my employers, I steal working hours. I go home before five o'clock'.<sup>50</sup> These clerks have very clearly divided their life from their work. Japanese managers think these clerical staff do not work hard, and they do not ask these clerks to work until late at night.

As we have seen above, there is a time sequence in these Japanese companies; first clerks go home at 5 o'clock, then British managers at 6 or 7 o'clock. Female Japanese managers, though there are not many in London, leave their companies before male Japanese managers. Finally, Japanese male managers are left to themselves.<sup>51</sup> Although there were stories that Japanese bosses tried not to stay in the offices in order to avoid making local staff feel excluded, or that local staff stayed in their offices to be like the Japanese managers, the main stories are about this sequence of leaving times from the offices. This could represent the power relation of the different groups: from the most powerless, the British clerks leaving their offices at 5 o'clock, to the most powerful: the Japanese male managers, sent from Tokyo, staying until the last. Although the local staff did not accept the Japanese idea that staying in the offices demonstrated hard work and dedication to the companies, the main reason why they claimed that the Japanese are lazy might be that they knew about this sequence. The local staff, like Elaine, thought that it was threatening to be forced to follow this custom.

### *Importance of private life versus work-oriented life*

Another strong stereotypical image of the Japanese is the work-oriented lifestyle. The Japanese are talked of as people who do not consider their family, whereas the British staff or European staff have more personal lives

or family lives. Both of them are proud of their lifestyles. Mr Aoyama commented:

In Britain, there are a very few, special, people who think work is the centre of their being. Their private life is the most important thing and work is just to make a living for the majority of the people, though if the work is interesting it may be better. Contrary to this, the Japanese overwhelmingly think that work is at their centre and other aspects of life are around it.... British people think that individual lives are important. This is a big difference. We are inevitably company men, and the centre of our lives is the company, at least for men. In Britain, even key people in companies make much of their families, or they think that their own personal hobbies are important. In this sense we have a lot to learn from them.<sup>52</sup>

Although he said the Japanese have to learn the British way of life, he still considers that work is the centre of their lives and their family's lives. He thinks that he is not a man who is just a workaholic, but:

I cannot say that I can locate myself midway between the typical Japanese and typical British. I am still among the Japanese. However, if I used a magnifying glass and looked at the group of the Japanese I may not be in the centre of the group. I can just say that among the Japanese I am not typical of the Japanese but a little bit of a different type of Japanese. Yet, the difference is not big.<sup>53</sup>

Even a young Japanese manager held the ideology that work ought to have been the centre of his being:

For me, my private time is my main time. But it does not mean work is just to pay my living expenses. Personally, if I can find a job in which I can find confidence as a professional, I think I can concentrate on the work...but I haven't found such a job yet.<sup>54</sup>

Mr Katano mentioned that people in Britain have more community lives:

In this country, people seek their roles in the community in addition to their status in companies, for example, to be a juror as in the US. They can live in two systems of values. It is completely different from Japan. In Japan business men only seek promotion in their corporation.<sup>55</sup>

Just as Mr Aoyama said that he had to learn from the people in this country, Mr Chiba showed envious feelings about the people in this country using stereotypical images:

The weather is mild. And people do not need much money (because of the welfare system and non-commercialism). We can say this country is a mature society. People have less tension than in the USA or Asian countries. People do not get too concerned over tiny things.<sup>56</sup>

On the other hand, local staff expressed their pity for Japanese staff who do not have personal lives. Miss Harris said that her Japanese male colleague was not able to have leave when his wife gave birth and his mother came over to help her daughter-in-law. Most British staff said their Japanese colleagues' wives were to be pitied because their husbands were not at home enough. Elaine said that when she returned to her work after she gave birth, her Japanese boss asked again and again about who was looking after her baby. When she said that her husband who was working for a Swedish company had leave for their baby and was looking after him, her Japanese boss showed surprise and did not say anything.

Most of the Japanese male managers whom I interviewed were married and lived in London with their families. The Japanese were proud of their working attitudes, which were at the expense of their family lives, and said that the British were more family oriented, and went home earlier than the Japanese staff. The reason for this comparison was a sign of their feelings of competitiveness. Japanese staff also enjoy their home life and think their family important. Yet, even so, work is more central to their lives. Mr Matsuda said:

When I was in Hong Kong and Beijing, I left my family in Japan. I was lonely and always felt I lacked something in my life. I always worried about my family. But now my family live with me in London. It took about one year for my family to get used to life here, but now my wife can drive in London, go shopping and go to hospital by herself. So, I can work as if I were in Japan and I can concentrate on my work.<sup>57</sup>

Again, lifestyles are very individually different, but in general, for the Japanese, the institution of marriage is so strong that women who want to be equal to men tend to be single, or work like Ms Akamatsu at the expense of children and family lives. Japanese male managers could work more easily than women through the support of their wives. In my interviews, British staff had more varied lifestyles. Some male British managers were single, and other managers had family lives with children but their wives were also working. Despite differences between individuals, lifestyle difference was strongly tied in with difference in attitudes to the institution of marriage in Japan and Britain. The lifestyle of some Japanese women who are single is also tied in with the institution of Japanese marriage. Such women had their own beliefs about marriage, and therefore they would have hated to live in Japan. Being outside Japan, they thought they could free themselves from the 'ideal' way of life for Japanese women.

*Leisured life versus working without break*

British workers taking long holidays are disapproved of by Japanese managers who interpret this a sign of a lack of dedication. Indeed, British staff do have longer holidays than the Japanese, and enjoy their leisure. I was sometimes very surprised when I phoned British staff to be told that they were on holiday for three weeks or so. I wondered who took over their responsibility if they were away during a busy season such as April.<sup>58</sup> By contrast, Japanese managers sent from Japan do not take the full leave to which they are entitled. It is an unwritten custom in Japanese companies that it is not appropriate to use all paid time off. One manager told me that it is disadvantageous to promotion prospects to take sick leave in Japanese companies, so people take paid time off when they are ill. So, they need to preserve their right to paid leave in case they are ill. Japanese managers usually take one week's holiday in the summer and one week in the winter in London. However, they think that this is long compared to the holiday time they took when they were in Japan.

In the evening, British staff leave earlier and enjoy entertainment, community life and family life as well as at weekends. On the other hand, the Japanese do not have as much entertainment as their British counterparts and sometimes even have to work during weekends. However, the younger generation enjoy going to the theatre and playing tennis with their wives, though sometimes this merges with socialising with their colleagues or customers.

*Job description versus overlapped responsibility*

The ways of clerical work was another topical point when the two groups talked about work cultures. It is often said that job descriptions are not clear in Japanese companies. Japanese managers always have their minds on what they should be doing as members of the company. British staff by contrast have clearer ideas of their particular job responsibilities. However, this difference does not cause direct problems, because British staff are given clearer job descriptions when they sign their contracts. Japanese expatriates are never given such clear definitions of their jobs.

Generalised job descriptions are related to ideas of group work. A Japanese manager told me it was a great advantage for Japanese management, because if responsibilities were overlapped, it was more secure. If more people knew and thought about the issues, one issue could be discussed by many people, and could be checked again and again. All the people in the same section, therefore, could know everything that was happening. On the other hand, it could be dangerous because sometimes nobody knew who had responsibility for what. This was also related to the Japanese way of decision-making—consensus decision-making.

However, this was another work attitude with which the local staff had difficulty. Linda did not understand what the responsibilities of her boss were:

There was a Deputy General Manager of the bank. I don't know what he was doing! He sat here... Always there... He went to meetings and things... Yes. So he, I mean, he did, he went, I mean, he met customers and he went to meetings and whatever. He did, you know, he did things. But...<sup>59</sup>

In the eyes of many of the British staff, the Japanese were not doing anything: they talked, they had a chat, they read newspapers, they practised golf, and they smoked. In the view of local staff, Japanese bosses were not working properly, and did not know what they should be doing in their work.

*Unavoidable mistakes versus correct and quick clerical work*

The Japanese method of clerical work done by women is well known for its severity. When I was a high-school student, one of my classmates decided to become a bank clerk, because her father had died and her family could not afford to send her to university. At that time banks were a good workplace for high-school graduates. Banks were stable workplaces and provided girls with good opportunities for finding marriage partners. Yet, the other classmates thought it was really pitiful for her. They said, 'Oh, poor girl, she will not be able to go home until all the calculations are correct. Banks do not allow their clerks to go home even if they have missed only one yen'. I said, 'If only one yen is missing, we could use our pocket money. One yen is not a lot'. 'No, you should not do that. It is the same as stealing money from the bank. You have to do the sums again and again until everything is correct.' I still remember the conversation, and I have retained an awful image of clerical work in banks.

Most British clerical staff complain that Japanese bosses are too fussy, whereas Japanese bosses are very unhappy with the standard of clerical work of the British staff. As Sue said before, there were clashes because Japanese bosses were angry with mistakes in calculation and mistakes in written figures. Japanese bank managers have the idea that clerks must do jobs correctly and quickly. If they cannot, they should be ashamed. Japanese clerks trained in Japan are considered to be able to do this kind of work. Japanese male managers said that the Japanese female clerical worker worked as hard as two or three British put together. However, British clerical workers thought mistakes could not be avoided. If they made a mistake, they just corrected it—that was good enough. In addition to this, they felt that their bosses exercised too much control. Furthermore, they thought this was a waste of money and time. Mr Gibson explained why small variations in calculations happened. It was because of decimal places:

The Japanese way of working in London is a very safe way of working. It would be...rather reduce profits and make sure that everything was just right.... They asked us to do it again and make sure it was correct, even again. You'd do things twice rather than once. All the systems in my bank, are systems, and more systems to check systems. Everything we do is geared up to making sure there are no mistakes, even though it is not cost-effective. Because sometimes, you're better off making £1 or £2 of mistakes, and losing that, than taking ten hours' work.<sup>60</sup>

British staff think the requirement to do clerical work so precisely gives too much control to the local staff. Yet, Japanese bosses think that 'accuracy' is a kind of corporate identity of Japanese banks.

*Socialising with families and friends versus socialising within the company*

Japanese male managers are seen by British staff to have friendships only within their companies. Playing golf and going drinking are infamous Japanese work cultures. However, Japanese male managers said they had made friends when they were high-school students and university students, but it was difficult for them to have real friends in their companies. There was competition between them for promotion. However, Japanese managers stuck together in companies and went drinking. What does this mean? It was to exchange information, but sometimes it was considered an obligation. Yet, Mr Taguchi explained that it was not necessary to follow this manner of socialising to gain promotion. Evaluation for promotion in Japanese companies was primarily based on the results of work. Mr Hoshino said:

I wanted to think about socialisation rationally. For example, while I was a head of the department of foreign exchange, I did not play golf, in principle. I was unusual. In our company they had golf competitions twice a year with people in securities houses since the time of the previous head. I thought these competitions were an obligation as a head of the department, so I played golf in that competition. But I did not play golf except for this occasion. I think playing golf with customers is a ridiculous custom.

In spite of his worry about his decision, he knew that he was appreciated:

One day I was chatting with the man who was president at that time. He said, 'Our company has staff who show strength of mind by not playing golf. For example, you and...' Then I thought I was OK.<sup>61</sup>

Mr Hoshino spent his time more on his own hobbies and writing, but he also tried to socialise with many foreign businessmen more personally. Mr Ogata enjoyed visiting historical places as much as possible while he was in London. When he was a young student in his home town in a provincial area in Japan, he liked to read Western novels and dramas. He was delighted to have opportunities to go to the theatre in Europe. Mr Tamaru enjoyed having vintage cars which he liked very much. Mr Miyazawa said it was impossible in Japan to enjoy swimming and tennis so conveniently. Mr Kishi appreciated more time with his wife in Europe, because he had more opportunities to bring her to social occasions.

As these people show, Japanese managers had developed their own hobbies and friendships in Europe, but still said it was difficult to make friends in Britain. It was much easier for them to make friends with people who were also foreigners. Their social and leisure time was spent with Japanese people in their companies and with Japanese customers. However, British staff had their friends outside the companies. It was rare for either group to invite those from the other to their houses. The Japanese said this was because the British lived far away from the area where the Japanese lived, or because their wives felt it was too burdensome to invite their British colleagues. Mrs Ueno emphasised her notions of differences between Japanese and British as follows:

It is difficult to invite them to your house... People in my husband's bank do not have the custom of inviting British colleagues into their houses. I only know them through my husbands' eyes, but these people have a radically different way of thinking from us. My husband told me that they insist only upon their own rights. I do not know whether this is true or not, but I have heard that they are too demanding.<sup>61</sup>

It could be said that images of Japanese managers socialising among themselves are, to some extent, results of segregation from local people in their transnational working lives. It also can be said that such socialising in order to collect information is a kind of rational behaviour and cannot be considered unique to the Japanese.

In conclusion, as we have seen, various stories about how different their work cultures are circulate among the Japanese and British staff. Both groups consider their work culture to be superior to others; both claim they are morally superior to others. The Japanese trained their managers as generalists, worked as a group, were very loyal to their companies and worked longer than local staff, devoting their lives to their companies, while the British or other European staff trained themselves as specialists, worked individually, were eager to contribute to their companies, finished their work by 5 o'clock, and thought that their personal lives were more important than their working

lives. Both groups, especially male managers in each group, competed to prove they were better at gaining initiatives for the business and management.

When different groups encounter different cultural values, each group interprets and evaluates the others according to their own frame of reference. However, when there are power struggles between groups, one idea becomes dominant, and the other idea tends to be denied without there being any exchange of ideas. The Japanese wanted the British staff to understand the Japanese work ethic and to accept the hierarchical order which was represented by the different leaving times. However, the British staff refused to accept this hierarchical order, expressing the cultural superiority of their own attitudes to work.

Previous comparative studies of Japanese work culture explained Japanese work attitudes as essentially or historically different. But in fact, in this multicultural situation, the discourse of different work attitudes was intended to be used as 'symbolic power' when employees from different cultures encountered each other. Stories of 'different' work cultures are used as topics for emphasising differences between 'us' and 'them'.

### Language and power

In addition to problems which arise from different concepts of work culture in these Japanese companies, language has formed another communication barrier between the ethnic groups. Language is always a big issue in multinational companies, both in doing business and managing local staff. How much was language a barrier for Japanese and British staff? Did the Japanese especially have a problem with English?<sup>63</sup> Why did the British staff not want to learn Japanese?

It is said that Japanese multinational companies ask local staff to speak Japanese in Asian countries, but in the United States, in Britain, and in other European countries, the Japanese speak English.<sup>64</sup> Does this mean that English has more power than the Japanese language? Just as working-class people in Britain may wish to adopt a middle-class way of speaking in order to climb the social ladder, or as people who knew Latin had more power in early modern Europe,<sup>65</sup> being able to speak English may be a key factor for success for Japanese businessmen in international financial business.

Although the Japanese bosses had studied English at school and at universities, they had not learned functional English, only English for reading and for grammar. On the other hand, local staff were not familiar with Japanese. Japanese-language classes for local staff were offered in Japanese banks, but British staff soon gave up attending.<sup>66</sup>

This section examines how people talked about language problems. Although I could not judge from such stories how bad the Japanese bosses' English was, almost all Japanese staff mentioned their ability in the English

language in their interviews. Some British staff mentioned the poor English of their Japanese bosses, but others said their bosses had no problem with English at all. It would be impossible to examine how much language was a barrier in these companies, but I attempt to examine how people talked about language as a barrier to communication.<sup>67</sup>

Speaking English was stressful for many Japanese male managers, especially for those who had had few experiences of being abroad and were suddenly asked to work in London; in other words, *kokunaiha* (the domestic group), found it difficult to express their ideas in English. Mr Aoyama had worked in the head office of his company for more than 20 years:

I found it very difficult. After I graduated from university, I did not use English for my work, so it is difficult to get used to English now ... I cannot sufficiently explain what I want to say. I am fed up with my English in which I cannot express sophisticated matters. For example, when I talk with the British, I am afraid of what they will think about the content of my speech. I can say what I have to say to them directly, but I cannot make intellectual conversation. There is a complete difference between what I think and what I say.<sup>68</sup>

As this quotation shows, Mr Aoyama expressed his irritation at not being able to express his ideas in a sophisticated way. Mr Ogata, who had also worked in the head office of his company and had been working in London for two and a half years said:

I thought that communication was difficult, but the reason is clear. It is because I am not good at English at all. I started English when I was 44, so I think I cannot improve at all... I have no talent for learning English. I am a tone-deaf person, and I think I have no talent for learning a foreign language. So, I cannot improve my English... It is unavoidable to feel frustration. But I have to accept it. Just as it is impossible for someone who can run 100 metres in 12 seconds to run the same distance in 10 seconds, we cannot do what we cannot do... I explain by using pictures when I cannot explain by words. Difficulties are unavoidable. I cannot communicate as I can in the Japanese language.<sup>69</sup>

Some Japanese senior managers were extremely frustrated when they were angry with their local staff. Mr Nishikawa said that it was really difficult to communicate in English. He said he was trying not to force his criteria as being 100 per cent right and tried to look at things relatively, but he still felt angry with his local staff, though he said he was trying not to. He explained that when he was angry English words did not come out at all.

It is not only lack of vocabulary or knowledge of the language but the way of expressing oneself that is different in the two languages. Japanese

bosses tended to instruct their British subordinates using indirect expressions. When they found that they had not been understood, they said nothing more. Ms Oki also said that when she had asked her British subordinates to do some work, they had not done it in the way she had expected. She said that she had not said anything about it, but that since then she had been doing that kind of work on her own without asking her British subordinates. Mr Ichikawa also said he had wanted his British subordinates to clean his desk which had been done when he was in Japan. He said to his young British staff, ‘This desk is dirty, isn’t it?’ He had meant to ask the British staff to clean his office before he arrived for work. But he had only received the answer, ‘Yes, it is’. Then he had realised that the British staff had not understood what he had meant. Then, he decided to clean his desk himself. Mr Nishikawa, Miss Oki and Mr Ichikawa had expectations based on their ideas of how to work in an office, but their expectations were not understood by local staff. However, they decided not to explain what they had meant to their local staff.

Mr Yasuda, who had worked in Britain for about ten years in all, said Japanese staff had to explain exactly what they wanted to say in English. He said:

It is impossible to ask people in this country to understand our orders without telling them exactly. We have to use proper and precise English. It is impossible to ask them to understand our feeling by *ishindenshin*, which means to understand each other without words, but from heart to heart.<sup>70</sup>

However, it took time and energy to explain what Japanese bosses wanted to say in the English language. This brought about a reduction in communication. Ms Akamatsu said:

In our meeting, a Japanese manager used an expression, ‘high-quality’ business. This made American staff extremely angry. They said, ‘As the staff who do not deal in ‘high-quality’ business, are we doing ‘low-quality business?’<sup>71</sup>

The Japanese had used the word ‘high-quality’ as meaning ‘of less risk’, but this expression is ‘*Japalish*’ (= Japanese+English), in other words, *gairaigo*, which means words originally taken from a foreign language. But sometimes meanings have been changed from their original meanings in English. Sometimes Japanese use ‘*Japalish*’ and it causes confusion in conversation with English-speaking staff. In this case, the American staff, who had responsibility for the higher-risk business, felt that their dealings were being looked down on by Japanese staff as ‘low-quality’ business. These misunderstandings were always happening in companies. Again, Ms Akamatsu said:

It [the difficulty of localisation] is a problem of language. It is not that language is *a* problem, but *all* the problem stems from language... I think the story about Babel is the story which expressed our situation exactly. It is a fascinating story. J.P.Morgan and Deutsche Bank can easily do 'globalisation', because they have fewer problems with language... We are not good enough at English and local staff are not good enough at Japanese. There are these two reasons. Anyway, we have very few means of communication. It is a lot of bother for Japanese to communicate in English rather than in Japanese, especially if the topic is very complicated. When we have enough time, we explain until they understand...<sup>72</sup>

Her story illustrates how language problems reduced communication in doing business for a company.

When they had to do substantial business with local customers, this was more serious. Mr Tomita talked about a bitter memory:

I went to an English school, for two or three months, before I came to the City for the first time in the 1980s, but it was useless. After coming to the City, I brushed up my English on the job, because I had no time to go to an English school. Once I started to work in the City, I tried to learn through my job, newspapers, the radio and the television. It was really hard for me... When I went to see my customers, I was not able to understand what they said. I took a member of staff with me, because anything could have happened if I had gone to see them on my own. It would have been better if it had been only the details that I did not understand, but I did not even understand what topic they were talking about. After I came back to our office, and I received written reports from my British colleague, I finally understood what they had been speaking about the day before.<sup>73</sup>

Language problems prevented him from developing more business in the City:

There was no inconvenience at all, as far as I received written reports from local staff members. However, I think if I could have understood English, I would have done better. Although it was a difficult time to do business, if I had understood English, I would have done a little better. I achieved little while I was in the City.<sup>74</sup>

Even *kokusaih*, international businessmen, said they had experienced difficulties in communication in English. A Japanese male boss who had already become a *kokusaiha* after working abroad for more than ten years, also said that if he had been able to speak English better, his business

would have been going much better. Mr Yamazaki, who had had individual tuition in English conversation since he was a teenager and had spent most of his working life in New York and London, still emphasised his difficulty in English. When he first went abroad he read English newspapers and listened to the radio. But he admitted that, generally speaking, the Japanese are not good at the English language, or in understanding foreign people's feelings.<sup>75</sup>

Some Japanese emphasised general difficulties in communication between different cultures rather than mentioning the language ability of Japanese managers. Mr Ito said:

I do not find difficulty with English in my work, but language and communication are difficult... We often talk about 'reference points'. Do you know this expression? Among us, Japanese, what we do and what we think when we talk are almost the same. Yet there are about 40 nationalities in this company. Every nationality has different 'reference points'. There are differences, but we do not know what they are. For example, there is a Lebanese and myself, and we talk, but I do not know how he was brought up and what kind of values he has. He is unlikely to have the same values and background. We Japanese have common reference points among us to some extent, but I do not know what are the differences between his and mine. If he said, 'Uhm, Yes', I do not understand how much he has agreed with me. We communicate as if we had to choose between black and white. Then conflicts between us are unavoidable.<sup>76</sup>

Mr Ito suggested that language was not independent of a cultural set of meanings and values which made communication at work difficult between people from different cultures.

The degree of difficulty they experience in speaking English differs according to how necessary these managers perceive it to be. One manager said that there was no problem with communication in English, because when he had to talk to the English outside his company, he was a customer, so the English business people respected him. When he spoke inside his company, he was in the top position in his office, so he said he had no problem in communication. These *kokunaiha* (domestic) Japanese managers said that they had to accept that they could not speak English well.

As I had expected, some of the younger generation, by contrast, said that they had no difficulty in communicating in English. A fund manager in his early thirties, who had spent most of his career in New York and London, said that he had no difficulty in communicating in English. He had only learned his English on the job after he had joined the company. It was difficult to judge whether his English was better than that of the older generation or whether he has felt less pressure to speak better English.

The older generation emphasised how much effort they had made to improve their English. When they were young in the 1960s and early 1970s, they had no model for learning how to develop their business in a hostile environment after the Second World War. Some senior managing directors said that the younger generation were not making enough effort to improve their English, because nowadays there were more Japanese and more information about other countries compared to the period when they had been young.

It was discovered that men and women spoke differently about their difficulties in communicating in English. Most women said they spoke better English than their male counterparts. In fact, female managers I interviewed were *kikokushijo*, young returnees who had studied abroad when they were children, and they were proud of their prowess in English. Miss Tomoda in her twenties emphasised that she had lived in Hong Kong and the US, so her grasp of English was much better than that of her male colleagues, and she expressed irritation that as a result of this she had not been given better opportunities for promotion to which she had felt entitled. An ability to speak English is considered a 'gender-biased' qualification in these Japanese multinational companies. Whereas the ability to speak English was not a priority for Japanese male managers, female managers had gained opportunities through their experience of being educated abroad. This was also linked with the attitudes of these managers towards their children's education. These managers tended to educate their daughters abroad, especially in English-speaking countries, and their sons in Japan, to allow them the opportunity to follow the 'élite course' in Japan.

Locally hired Japanese came to Britain to study English and to try to find better opportunities in their working lives. In addition, these women studied English in order to gain advantage in their careers in Japanese companies.

When Japanese informants talked about the English language, there were two symbolic meanings in 'facility in the English language'. First, English as a means of communication with English customers and local staff, and second, English as a means of showing how competitive they were. And so, top managers, who were respected by their customers because of the powerfulness of the companies they represented, did not emphasise their difficulty in communication in English. However, senior and middle managers who had to work with the British staff often said that they had had difficulty with English.

I interviewed these Japanese people in Japanese. Although I did not hear them speaking English, their facility in English was talked about differently according to their different positions in their companies.

There are thus different degrees of difficulty for Japanese people in communicating in English. How did local staff in Japanese multinational financial companies talk about their communication with their Japanese colleagues in the English language?

Only a few local staff spoke the Japanese language, though Japanese head offices and senior managers thought it was essential to speak Japanese to be a top manager or to be promoted to Tokyo. As Mr Miyazawa said:

Language is the biggest problem in promoting local staff to Tokyo. I do not think we would expect Americans or British to speak the language when we employ them. We may employ people who know marketing even though they are not able to speak Japanese and ask them to participate in our management. But I think it would be difficult to promote them to Japan.<sup>77</sup>

However, British staff did not think it was essential to speak Japanese in order to work in Japanese companies. Mr Milligan, a senior British manager, did not speak Japanese:

That's actually embarrassing, because I'm working for a Japanese bank, and probably I should speak Japanese. In a sense, the advantage that Japanese people have is, you learnt some English at school, didn't you...at least you had, what I would call, a 'head start'. I did no Japanese at school, none at all, and, in order to learn Japanese now... I could do, we have Japanese lessons if we want, but it would be extremely difficult. And the reason why I don't is, first of all, my clients speak English, and secondly, all the Japanese people that I work with speak pretty good English.

He said it was not necessary to speak Japanese, but he was frustrated:

You learn to be patient if someone's English is not so good, because, you know, communication is crucial. But, you know, the senior management of the bank communicate in Japanese over something, sometimes. Sometimes no problem, but other times, you feel...sort of threatened. It's like in any situation, if somebody is speaking about you, and you don't understand what they're saying, you automatically feel nervous... The way that I personally deal with it, if I find it's bothering me, I just say, 'Come on, what are you talking about?' I just ask. But I think you, you have to be reasonable, that this is, this is a Japanese bank, and there are many Japanese people in it, and it's stupid to say that everybody must speak English. It's just efficient to allow Japanese to be spoken.<sup>78</sup>

In his comment there are contradictions. He said that the Japanese bosses' English was all right, but also that the Japanese bosses' English was poor. He also felt that he was excluded when the Japanese staff spoke Japanese among themselves, but did not want to study Japanese.

Mr Milligan tried not to blame his Japanese bosses, but he still claimed that Japanese bosses could not speak English well:

Japanese people, they may be very bright, they may be very good bankers, but their English is poor, and they suffer as a result. And that's, and this is just prejudice... Yes. You look at that person, and you think that person is stupid, just because they can't communicate, but that's not fair.<sup>79</sup>

Mr Milligan's comments on the English of his Japanese bosses are controversial, and from them we can see his feelings towards his bosses. He tried to respect his Japanese bosses, but he did not think their ability in global financial businesses was good enough if judged by their use of the English language. Another manager also described how to solve the problems in practice:

They are a bit embarrassed about their spoken words. As for me I have no Japanese at all. I never judge them because I think it is fantastic that they speak English so well. Grammatically, they write so well... Normally, though on the phone, what I do is I usually speak slightly slower than I do normally and I make sure that I am very concise with what I want. If I am not getting through to them, what I do is I will write to them or fax them and ten minutes later, I phone them and we discuss the facts. I tend not to have a problem with them.<sup>80</sup>

A secretary, who did not here show respect to Japanese senior managers, talked more straightforwardly about problems with the English of her Japanese bosses. Ms Harris commented:

When they speak to you, when they speak to people in English, then they try and do as little as possible, with as few words, whereas if they spoke more English, it would be better for them, more beneficial for them, and certainly more beneficial for me... When I worked for the Swedes, unless your English was of a certain standard, you were not allowed to work outside Sweden. You had to have English up to a certain standard to be able to go and integrate. And this is what happens, so why do so many Japanese stay together, because they feel, perhaps feel safe together, you know and they don't have to venture out into the English language or anything... They are not going to better their English. I mean, people go back to Japan after spending two or three years here, and their English is exactly the same as when they came, whereas if they spoke more English, they would improve.<sup>81</sup>

Here we can see clearly that there was a strongly held belief among the British staff that the English language was a common language throughout the world, and that the Japanese had to accept this idea. However, the Japanese thought Japanese was essential for doing business in Japan as well as for understanding Japanese culture. We can see aspects of cultural hegemony of language in these perceptions.

When British staff were happy in their work, they said that the English of their Japanese bosses was all right. Yet when they had work difficulties and were uncertain about their future promotion in Japanese banks, they talked more negatively about the ability of the Japanese staff to speak good English. Local staff in lower positions were more forcible in criticising the English of their bosses compared with the criticisms by senior managers. Senior managers were more inclined to emphasise differences in culture rather than language.

It is difficult to judge which came first, distrust or problems in communication. However, there was definitely a problem of communication between Japanese and British staff. Language problems were responsible for a reduction in communication, as Ms Akamatsu mentioned. Japanese bosses tended not to try to express themselves. It was easier for them to take problems on themselves, rather than to spend time in trying to communicate with local staff.

In today's world, English is the universal business language. However, most Japanese staff I interviewed had not had enough education to speak English fluently. Although they said that they had made enormous efforts to improve their English, it was still difficult for them to communicate in English. They were not confident in speaking English. Some said it was not necessary to improve their English because the Japanese economy was becoming stronger. However, for most Japanese staff, English was a barometer of 'internationalisation' and was talked of differently according to their positions. The way these people regarded English did not only reveal their facility in the language, but highlighted differences in relations between men and women, between *kokusaiha* and *kokunaiha*, between generations, and between Japanese and English native speakers. There is no objective measure of facility in English, but it was talked of as a symbol of internationalisation for the Japanese and as a goal to strive for. The Japanese women who realised that they were marginalised by the Japanese men wanted to use English as a symbol of another measure which could be more standardised.

Fortunately, or unfortunately, Japan was not colonised when it came into contact with Western powers in the late nineteenth century. The Japanese were able to keep Japanese as their official language, and English remained a foreign language. This history affected how people talked about the English language in Japanese transnational companies and what the situation represents. In today's world, Japanese is a 'vernacular' language. The Japanese, especially senior managers, are, therefore, not good at English, and few local staff speak Japanese. Although Japan has become renowned as the largest capital supplier in the world economy, it has not gained cultural hegemony in

today's world. If the Japanese economy had remained continuously successful, the Japanese language might have been more widely used and might have become a universal language, like English. This has not happened, and few local staff want to learn Japanese. The Japanese are powerful within companies but, in terms of language, local staff do not feel powerless. The power relationship embodied in the universal language and the vernacular language makes communication between these groups more difficult.

Ways of talking about language problems represent relations between people. Japanese male managers who wanted to be international businessmen were not satisfied with their language facilities. They thought that it was not good enough that they could not speak sophisticated English. Conversely, those managers who gave up improving their English felt it unnecessary to continue as it was enough for them to communicate by means of body language and writing on paper. Some British staff solved these language problems by being patient and using confirmation in writing. Others sometimes felt frustrated by the English of their Japanese bosses. When they were anxious about their future in the companies, they felt that the poor English of their Japanese bosses represented a lack of general ability. Japanese bosses were frightened when they could not understand English conversations in their business, and British staff members felt threatened when meetings involving decision-making were conducted in Japanese.

As for my first question—how far language was a barrier to communication in these companies—there is no objective evidence in my interviews to prove that the problem of language was a reason for poor communication, but nevertheless the problem of language was talked of again and again as a serious one for people in these Japanese multinational companies, and it prevented an exchange of ideas between people in the two groups. Talking about language was also an expression of power, and of cultural identity as Japanese or British. In addition, lack of communication and feelings of exclusion for the Japanese from the British business community, and for local staff from the promotional system in the Japanese companies, may have led both groups to choose the problem of language to explain their feelings of desperation.

The expansion of Japanese financial business in the City of London enlarged the Japanese organisations in the City. As a result, Japanese companies introduced more formal management structures, employing British personnel management, and establishing segregated management. This caused yet more problems of communication between the two groups. Senior local staff had particular difficulty in accepting their exclusion from Japanese 'global' promotions.

Although individuals interacted in their everyday working lives, they exchanged few ideas, and created images of 'us' and 'them'. The characteristics of the two working cultures were emphasised, and used to legitimise the segregation. Stories which circulated in the workplaces can be analysed as stories of 'others'.

In addition, language was an important factor in poor communication between two competing groups, Japanese men and British men. We can see how language was an important factor in their competitiveness.

I wanted to analyse problems of working cultures in Japanese transnational companies from a 'humanistic' viewpoint. I wanted to look at how people exchanged ideas as a result of the 'global' interaction of ordinary workers. However, I found that it was difficult to exchange ideas when there was cultural competition. It seems to me that people who stick to their own culture appear to be more at ease than people who have tried to reach beyond their own culture.

### Notes

- 1 Interview 70, with a Japanese male manager (at a non-life insurance company), in his 50s, interviewed in London in 1994.
- 2 Interview 32, with a British female clerk (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 3 *Ibid.*
- 4 Interview 43, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 5 *Ibid.*
- 6 *Ibid.*
- 7 Interview 65, with a British male clerk (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 8 Interview 43, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 9 *Ibid.*
- 10 Interview 85, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 11 Interview 77, with a British female manager (at a securities company), in her 40s, interviewed in London in 1994.
- 12 Interview 78, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 13 Interview 60, with a British female clerk (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 14 'New Phase of Anglo-Japanese Interchange: Symposium about Japanese Management', *Yomiurishinbun Europe*, 1 April 1995, p. 8.
- 15 'Boom Times Back for City Salaries', *Evening Standard*, 17 May, 1994, p. 32.
- 16 Interview 54, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 17 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 18 'A Love Affair at Work Turns Sour', *Independent*, section two, 15 May 1996, pp. 1-3.
- 19 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 20 Interview 46, with a British male manager (at a securities company), in his 40s, interviewed in London in 1994.
- 21 *Ibid.*

- 22 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 23 *Ibid.*
- 24 For the careers of female managers, see Alice Lam, *Women and Japanese Management : Discrimination and Reform*, 1992.
- 25 Kazuo Yoshida, *Nihongata Keiei System no Kouzai (Advantages and Disadvantages of the Japanese Management System)*, 1994 (first published in 1993), p. 29.
- 26 Vagelis Dedoussis, 'The Core Workforce-Peripheral Workforce Dichotomy and the Transfer of Japanese Management Practices', in Nigel Campbell and Fred Burton, eds, *Japanese Multinationals: Strategies and Management in the Global Kaisha*, 1994.
- 27 Malcolm Trevor, Jochen Schendel and Bernhard Wilpert, *The Japanese Management Development System: Generalists and Specialists in Japanese Companies Abroad*, 1986, pp. 255–8.
- 28 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 29 Interview 80, with a Japanese male manager (at an insurance company), in his 40s, interviewed in London in 1994.
- 30 Interview 54, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 31 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 32 Interview 27, with a Japanese male manager (at a branch of a bank), in his 20s, interviewed in London in 1992.
- 33 Interview 93, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London.
- 34 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 35 Chinese characters are used for *hanko*, therefore, local staff cannot even read who has agreed to the proposals. A locally hired Japanese woman told me that Japanese banks should use *hanko* written in the Western alphabet.
- 36 Interview 36, with a British manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 37 Interview 2, with a Japanese manager (at a subsidiary company of a bank), in his 30s, interviewed in London in 1992.
- 38 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1994.
- 39 Interview 75, with a British male manager (at a subsidiary company of a bank), in his 30s, interviewed in London in 1994.
- 40 Interview 43, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 41 Ministry of Labour, *White Paper on Labour*, 1994, pp. 65–7 and pp. 236–40. Japanese manufacturing workers work 2,017 hours per year compared with Americans 1,957, British 1,911, French 1,682 and Germans 1,570 hours.
- 42 *Ibid.*, pp. 241–2.
- 43 Interview 74, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994.
- 44 Interview 93, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1995.
- 45 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994.

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- 46 Interview 48, with a British male manager (at a branch of a bank), in his 50s, interviewed in London in 1994.
- 47 *Ibid.*
- 48 Interview 11, with a Japanese female manager (at a subsidiary company of a bank), in her 20s, interviewed in London in 1992.
- 49 Interview 58, with a British female manager (at a branch of a bank), in her 30s, interviewed in London in 1994.
- 50 Interview 65, with a British male clerk (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 51 Although Japanese managers go home late at night, they are required to come to the office without being late.
- 52 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 53 *Ibid.*
- 54 Interview 27, with a Japanese male manager (at a branch of a bank), in his 20s, interviewed in London in 1992.
- 55 Interview 2, with a Japanese manager (at a subsidiary of a bank), in his 30s, interviewed in London in 1992.
- 56 Interview 24, with a Japanese male manager (at a branch of a bank), in his 30s, interviewed in London in 1992.
- 57 Interview 12, with a Japanese male manager (at a branch of a bank), in his 30s, interviewed in London in 1992.
- 58 Japanese companies make annual reports in April, and have general meetings of shareholders in June.
- 59 Interview 99, with a British female clerk (at a branch of a bank), in her 20s, interviewed in Colchester in 1995.
- 60 Interview 65, with a British male clerk (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 61 Interview 71, with a Japanese male manager (at a financial subsidiary of trading company), in his 50s, interviewed in Tokyo in 1994.
- 62 Interview 30, with a housewife of a Japanese manager in her 30s, interviewed in London.
- 63 A meeting between bureaucrats from Japan and Germany was held in 1985. At the meeting, the Japanese bureaucrats asked the German bureaucrats not to interview Japanese managing directors in branches of Japanese banks in Germany using German. This suggests that Japanese managers have more difficulties in other Western languages than in English. Ministry of Finance, ed, *The Annual Report of the International Finance Bureau*, 1994, p. 51.
- 64 In Japanese companies in Singapore, local staff are expected to address their Japanese colleagues in the Japanese manner, for example, *Sakai-San*. (See Eyal Ben-Ari, 'Golfing Culture: Organization and "Consumption Careers"', Among Japanese Business Expatriates in Singapore', presented at the European Association of Japanese Studies Conference, August, 1994.) It is also said that the Japanese method of management can be followed in Japanese multinational companies in Asian countries. Whereas Japanese multinational companies in the US cannot continue with their methods, and are obliged to adopt more American methods of management. I was told that Britain is in the middle (Interview 79).
- 65 For the social history of language, see Peter Burke, *History and Social Theory*, 1992, pp. 96–8; Peter Burke and Roy Porter, eds, *Language, Self, and Society*, 1991; Pierre Bourdieu (edited and introduced by John B. Thompson), *Language and Symbolic Power*, 1991.
- 66 Yasuyuki Hamada and Takashi Sawada, *Hogin London Shiten (The London*

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- Branches of Japanese Banks*), 1992, p. 42.
- 67 For language problems of the Japanese, see Jiri V. Neustupny, *Communicating with the Japanese*, 1987.
- 68 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 69 Interview 80, with a Japanese male manager (at an insurance company), in his 40s, interviewed in London in 1994.
- 70 Interview 16, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 71 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1994.
- 72 *Ibid.*
- 73 Interview 84, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1994.
- 74 *Ibid.*
- 75 Interview without recording, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 76 Interview 83, with a Japanese male manager (at a securities company), in his 40s, interviewed in London in 1995.
- 77 Interview 89, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1995.
- 78 Interview 44, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 79 *Ibid.*
- 80 Interview 58, with a British female manager (at a branch of a bank), in her 30s, interviewed in London in 1992.
- 81 Interview 67, with a British clerk (at a branch of a bank), in her 30s, interviewed in London in 1994.

## 5

# COMPETING MASCULINITIES AND CONTRASTED FEMININITIES

## Gender relationships between cultures

Differences in gender relations exacerbated the problem of communication between the two cultural groups. Additionally, it can be said that segregation emphasised different gender identities between the two. Differences could have been reduced through communication and the exchange of ideas. However, what was in fact happening was that gender identities, like the ideology of work cultures, which we looked at in Chapter 4, were becoming closer to stereotypical images of 'us' and 'others'. It is essential to look at gender when we examine cross-cultural relations. This chapter therefore examines the interrelation between gender and culture in Japanese transnational companies.

Gender identities, both masculinities and femininities, are no longer considered as homogeneous or unchanged, but rather as diversified or changing. Recently, masculinities have been examined in terms of plurality. Ideas of masculinities have been constructed through academic discourses and they have been changed historically.<sup>1</sup> It has also been recognised that masculinities have been culturally constructed, and have been differently constructed across classes and ethnicities. Femininities have also been explored as cultural construction. It has been recognised that ethnicity or religion also affect the ways femininities are expressed. In addition, recent studies in non-Western societies, have begun to make claims for their own views based on their cultural identities. Voices of 'the other' are beginning to be heard in English literature and given truths have now become 'partial truths'.<sup>2</sup> Gender identities and cultural differences have become more and more clearly recognised. Anthropologists presented different forms of masculinities according to different cultures.<sup>3</sup> Femininities are nowadays looked at not only through Western eyes, but there has also been an indigenous assertion of femininities. It is clear that Western white middle-class gender identities cannot be normative gender identities in other cultures of the present world.

In parallel with the collapse of unified normative gender identity, the relationships between gender and hierarchy in the workplace have also received much attention in organisation studies. In addition, competitive masculinities in multicultural workplaces have been examined as urgent issues by academics

of work organisations. For example, Cheng explored how masculinities are competing in multiethnic companies in the USA.<sup>4</sup> Gender relationships in increasingly multicultural workplaces also provide examples of how plural masculinities and femininities are constructed through everyday interactions. Deconstruction of essentialist ideas of gender could bring new insights into gender relationships in multinational workplaces. Transnational workplaces are now being examined as case studies to look at how interrelationships of gender and culture operate through their everyday interactions. For instance, in newly emerging Asian overseas companies, Euro-American masculinities are now being challenged.<sup>5</sup>

The problems of Japanese transnational companies can also be explained as the competitions of gender identities between Japanese, who came to the West from a latecomer industrial country, and Western managers, who still hold ideas of cultural hegemony in the present world. The management of transnational companies cannot be considered only as a matter of management skills, but needs to be considered within the wider context of the present world both geographically and historically. On top of that, psychological competition between male managers was expressed through gender identities, through their differing masculinities. Japanese and British men and women saw the femininities of each culture as different, and the men of both cultures viewed these femininities as in opposition to their own masculinities.

This chapter looks first at gender-segregated career paths in these Japanese financial firms, which are among the most hierarchical of workplaces in Japan, using life stories of Japanese female managers. The previous chapter focused mainly on what interviewees said about the differences between the working practices of the Japanese and the British, and the discussion of both Japanese and British career paths was based on the typical careers of men. As Alice Lam has found while looking at the divergent career paths of men and women in a department store, the ideology of the generalist career path of Japanese men does not apply to Japanese female managers.<sup>6</sup> This, therefore, prevents Japanese women who are well educated from entering the male management world, and produces core-periphery relationships between men and women in large corporations.<sup>7</sup> On the other hand, British female staff in Japanese firms did not seem to find the problem as severe as Japanese female staff. In the interviews, British female managers talked about their difficulties in connection with cultural rather than gender problems. They said that their career paths were closer to those of their male counterparts, though there was gender segregation between male and female British staff. In consequence, it was ‘talked’ about that there were two different gender career paths for women in one company—Japanese and British. This emphasises gender identity in each of the groups.

Second, this chapter looks at male dominance and women’s responses to that dominance in the Japanese financial companies. The gender segregation in Japanese companies has already been considered in terms of economic

functions, or social and cultural conditions in Japan.<sup>8</sup> However, previous studies have not explained sufficiently how and why male dominance remains in large Japanese companies.<sup>9</sup> Nor have they explained how and why Japanese men maintain such great power in these large corporations. As far as my interviews are concerned, there seem to be two main reasons for male dominance in Japanese management. First, male networks were formed among bureaucrats, bankers and other company men in large corporations. These networks were developed through family, education,<sup>10</sup> and also through friendships and training in the workplace. Women could also use family and education networks, but it seemed to be impossible for women to penetrate male networks. Second, male dominance was part of the collective consciousness of men, although it is questionable whether this collective consciousness is a reflection of reality or the cause of the male dominance. I would like to look at the latter aspects: Japanese male managers have a self-image which identifies them as men at the centre of their family, company, and even their country. This psychological self-perception supports their core positions in their companies.

The third purpose of this chapter is to explore how Japanese women in peripheral positions respond to the dominance of Japanese male managers. There are widespread popular images which suggest that Japanese women do not attempt to enter the male world in more assertive ways. Of female Japanese graduates, only a minority became managers. Japanese female managers who had worked for more than ten years, internalised the ideas of Japanese gender relations by which they had been surrounded, suppressing any conflicts. My interviews suggest that those who could not internalise the dominant ideas of gender relationships left their companies in the early stage of their careers. Can this be explained as a passive attitude towards male dominance, or an individual's strategy for their lives?

Fourth, this chapter explores how the British staff perceived gender relationships in these Japanese financial firms, since gender relationships also influenced the degree of workplace satisfaction for local staff. As recent articles in newspapers show, gender relationships in Japanese financial firms in London are not approved of by local staff.<sup>11</sup> The interviews revealed that in contrast to the Japanese women's response to male dominance, British women did not show conformity.<sup>12</sup> They showed a more assertive response, though the degree of their discontent varied according to their status. British men showed a more contradictory response to Japanese male managers; they did not blame their Japanese male bosses directly. However, British men questioned their career prospects, and had more inner conflicts than had British female managers, because for them there was more severe competition between males from different cultures.

Finally, I examine, in response to the British '*gaze*', how the Japanese talked about British gender relationships, and their own masculinity and femininity. Despite my expectation that they might have changed their gender identity

as a consequence of encountering a different gender identity, these Japanese managers emphasised instead the superiority of their gender relationships in Japanese society. Gender is a decisively important aspect in the formation of cultural identity.<sup>13</sup>

### Segregation of the career courses of Japanese female managers

Strongly structured male generalist career paths caused difficulties for Japanese female managers, as Lam explains in her book on management in Japan.<sup>14</sup> In order to resolve pressures against discrimination in the system, the government passed the Equal Opportunity Law (EEO Law) in 1985. The law was implemented by government and employers' organisations. In consequence, two career courses for women were legitimated by the law; *sōgōshoku* (a career course for female graduates who work in the same condition as their male counterparts), and *ippanshoku* (a career course for female staff who have only supporting roles).<sup>15</sup> The new law came into force in 1986, and since then young female graduates have had to choose their career courses between *sōgōshoku* and *ippanshoku* when they join companies. For example, Miss Hosokawa in her twenties chose *ippanshoku* from the beginning, because 'it would be better to make a decision about my career after I know whether or not I will marry, or what kind of married life I will have'. Although her post is subordinate to male managers, she thought *ippanshoku* was the more realistic choice in terms of Japanese ideas of gender. If she had chosen *sōgōshoku*, she would have had to work in the same way as men. She would have had to work until late at night and move all over the world, which would have prevented her from having an ideal married life. Her parents also advised her to work only until marriage.

The expectations and training of *sōgōshoku* and *ippanshoku* are different from the beginning. As Miss Kawakami, who was also educated in the US and spoke English confidently, said, 'the training and expectations of us, *ippanshoku*, and that of the *sōgōshoku* women are radically different'. Although women who chose *ippanshoku* could change their career some years later, just as the older generation was able to gain opportunities for promotion when the EEO law was passed, these younger *ippanshoku* women were segregated from the careers of women who chose to become managers like their male counterparts. This implies that the EEO law officially legitimated women's subordinate positions in these companies under the guise of equal employment.

The segregation between the two courses for women divided young female graduate trainees. This made *sōgōshoku* women feel isolated. The number of *sōgōshoku* is smaller than that of *ippanshoku*. Miss Ono said that only ten *sōgōshoku* women had been employed when she joined the bank. They expected to work like men, but they tended to be assigned to research sections,

because customers preferred to talk about business with male staff. I met three young female managers of this type. Despite their better qualifications and a better family background than their male counterparts, their career paths so far indicated that they would not reach the core of management, but would be ‘specialists’ in research sections, or in international business. These young female managers could be trail-blazers, but they have no appropriate role-models for their career strategies.

The EEO law benefited older women in subordinate positions. When the law was passed, female graduates who had worked in banks for more than 20 years were able to move from *ippanshoku* to *sōgōshoku* later in their career lives. They had at first worked as clerical workers alongside workers just out of high school, and they had seen their female colleagues resigning because of marriage or having children. Most graduates were initially assigned to clerical or other menial work. Male graduates were promoted to more senior positions within one or two years, but their female counterparts spent much longer in junior posts. For example, Ms Oki stayed in a section for 12 years. They saw their male colleagues being promoted while they remained in the same section, repeating the same clerical work. Ms Akamatsu envied her male colleagues, despite the harsh training they received:

One day, my young male colleague had a report he had written rejected by our boss. The boss threw the form back towards him. I really envied him, because he was being trained... I was learning by myself, but I was not trained like him.<sup>16</sup>

They had put up with this situation until the EEO law was passed in 1985, which allowed them to move out from the section they had been in for many years and the law gave them opportunities to work abroad. However, young *ippanshoku* women are separated from the beginning from young female candidates for managers, so they may not have the opportunity to become ‘élite’ women later in their careers.

Conventional ideas about working lives in Japan—men work until late at night and devote their lives to the company, while women look after their children at home—prevent women from entering the male arena. Young female managers have to make a choice between incompatible ideals: a good family life or a fulfilling working life. This makes young female graduates uncertain about their future career plans, and many of them resign from their workplaces after a few years.

Because of the number of female graduates who resign, women are spoken of as unreliable workers by their male counterparts. Mr Yoshino said, ‘female graduates were given opportunities by the law but they soon resigned. We do not know why these women betrayed our trust’.<sup>17</sup> Male management argued that women frequently resigned before long, even if they were trained for lifetime employment.

If international financial business becomes more important for the Japanese economy, and Japanese management became more influenced by Western culture, these women might gain more opportunities for promotion to high positions in large companies. Nevertheless, the segregated career courses of *sōgōshoku* and *ippanshoku* indicate that the position of the majority of women will continue to be on the periphery.

In my interviews, I did not find British women in high administrative positions in these Japanese banks. I heard that there were some specialists in high positions, such as legal advisors, and I did find some British female personnel managers in Japanese banks in London. Although there were a few male clerical workers, most of the clerical jobs were performed by women. The situation in Japanese financial firms in London cannot be generalised to that in Britain. However my observation was that there was also gendered job segregation among British staff.<sup>18</sup> Yet, what is interesting is that they did not talk to me about gendered segregation in Britain. The career plans of the British women were not spoken of in terms of gender problems. This might be because they were interviewed by a Japanese interviewer, and they might have wanted to show me how progressive Britain was. Or it might be that it is the culture in the UK to show an ability to break through barriers between men and women, or that a person's career is more related to their qualifications than in Japan. If women believed that their career paths were based on individual merit, they might make an effort to gain higher qualifications and greater skills, and deny the importance of gender in determining their future.

Yet, in the languages of the so-called Japanese work culture, the careers of men and women are strictly role-divided. In addition, most Japanese I interviewed did not think that personal qualifications could help them break through this structure, even for male core workers. It is therefore unlikely for women to break the glass ceiling by gaining higher qualifications. Mr Chiba who gained an MBA in Europe said:

The MBA means nothing in our company. It just means you were chosen in the exam which decided who among young male staff was to be sent to a business school abroad. I am seen as a winner of the competition in this bank, but nobody considers what I learnt in the business school.<sup>19</sup>

Career courses for expected core workers (usually for men) and the courses for staff on the periphery (usually for women or employees in subsidiary companies) made female graduates uneasy, as it did local staff in London. Among those Japanese women who believed the rhetoric that careers and personal opportunities are based on individual effort, such as young female graduates who were not given opportunities in companies, some left Japanese companies and joined Western banks when the Japanese economy expanded globally in the 1970s and 1980s.

## Japanese men at the centre

Japanese expatriate banking managers have a strong sense of being at the centre at home, in companies, and in their own country. Their emotional feeling of being leaders may be energy for their work and life but, on the other hand, the feeling prevents them from being sympathetic to people on the margins. In the career paths of conventional Japanese companies, and in the core-periphery employment system between men and women, and between head offices and subsidiary companies, key male workers located themselves at the centre, and marginalised both local staff and women. Since their images of core-periphery relationship were firmly rooted in their societal and cultural values, Japanese male managers were able to enjoy their strong positions without really being challenged.

There seemed to be two main devices for maintaining male power. First, as I realised through the introduction process for my interviews, these men had strong ties through their family, schooling and company. Around these male networks, women were allocated to marginal positions as wives, and supportive and temporary workers. Second, the male centredness cannot be analysed without examining the way masculinity is structured in Japanese society.

First of all, these Japanese managers were expected to be high-flyers in their family and they were well supported by their fathers. I found male bank managers talked more about their fathers than their mothers. Mr Yoshino, a young bank manager, was taught how to be a man by his father:

My father said that I must not be a coward as a man, I should not be afraid of anything, and I must walk with a dignified attitude... I was afraid of dark places. Then he told me to go to an old shrine at 10 or 11 o'clock a long way from my house—about three kilometres. I was five or six years old. He said, 'If you tell a lie, I will know it. I will be waiting here'. I might have been able to tell a lie and to come back after 30 minutes or so, but I couldn't. So, I went to the shrine along a dark path. At that time there were no lights at night in my home town.<sup>20</sup>

Others were taught about masculinity less severely. Mr Hoshino recalled his father who had been an officer during the Second World War:

He wasn't strict. When I was in the final year of primary school, the war ended and Japanese society changed. One day I had to write an essay at school about what I wanted to be. So I consulted my father. He said, 'Uhum, probably a businessman would be good'. I didn't know what a businessman was, but I said at school that I wanted to be a businessman.<sup>21</sup>

Mr Hoshino knew he was very much loved by his father. Even his sister envied him and told him that his father had thought that he had always been good, but that she was not. He observed how society had changed and how his father had been condemned because of his pro-war propaganda during the war. This helped Mr Hoshino to understand how difficult his father's life had been. Yet, in his mind, his father was never a harsh Japanese military officer. In his memory, his father was a gentle and balanced man. The images of his father governed Mr Hoshino's feeling towards his own son. Mr Hoshino's life was like an economic 'officer' in post-war Japan. He worked strictly for his company for all his working life, but in his private life he was never a harsh man. He showed his affection to his son and other young people. For instance, when Mr Hoshino's son went abroad to study he wrote a short poem, 'On a Spring Day, My Son has Left Home and I am Working in the Field'. Mr Coleman, a young bank manager in a British merchant bank, told me that when he had been in Japan, Mr Hoshino had helped him in his business.

Although Mr Hoshino's image of his father was rather emotional, most bank managers said their fathers had been very considerate towards them. Mr Yamada said that every month his father had taken him to the cinema and for a meal in a restaurant. Before the economic recovery from the Second World War, their standard of living had been higher than that of ordinary Japanese. His father did not force any morality on him, but he had been guided by his father's example:

I was not influenced by my mother. She is a housewife and she does not have an especially strong character. She is not strict, nor affectionate to me. I was more influenced by my father, I think. I was not influenced at all by my mother, though she said that I should do this, this and this.<sup>22</sup>

Mr Kishi, in his fifties, recalled his father:

My father was a typical company man, but he was thinking of his family. Although we could not have supper together during weekdays, at the weekend he was with his family. He took us to see baseball when I was a primary school pupil... My father did not say very much, but when I had to take my exams, he recommended me to go to Tokyo University.... My mother was more strict about how to behave in my everyday life.<sup>23</sup>

When they had to make a big decision, these company men were given advice by their fathers. Mr Koike said,

My father was always saying, 'Be the head of a rooster rather than the tail of a bull'. He often said that it was important as a man to be a leader of a group even if it was a small group.<sup>24</sup>

Men were expected to be competitive both by their relatives and their neighbours. Mr Sano, who was in his fifties and whose family could be traced back about 300 years, said that he was expected to maintain the family honour. He had to be a high achiever as a male successor in his family line.

The importance of the relationship between father and son was seen not only among Japanese male managers but also among British senior managers. Mr Chambers, a British manager, asked his father's opinion when he was deciding whether to work for a Japanese company:

When I was ready to go to Japan, he was quite sick at that stage. I said to him that I hoped he didn't mind. If he had said yes I probably wouldn't have gone. He said, 'No, no, no, you must go. We must not fight yesterday's battles. Japan is an important industrial country, and you must understand this'. His view was very much international. His view on trade and politics, it was very important indeed.<sup>25</sup>

Here we can also see the close relationship between a father and a son. Mr Green, who was in his thirties, also asked his father's advice when he made big decisions in his life. His father expected his sons to be good at school, but not his daughter. According to Mr Green, his sister was 'the apple of his father's eye'. Mr Green said, 'My parents wanted me to do my best at all times. My father was very ambitious for me concerning school. He wanted me to be number one all the time'.<sup>26</sup> In spite of pressure from his father, he always asked his father's opinion when he had to make a decision. When he chose his job, he also listened to his family friends who were working in the City. When he resigned from the previous bank he had worked for, he sought his father's advice:

He would have preferred me to go to a German bank. Up until then I would discuss everything with my father and he was very influential, although he did not have any experience in the City, but I listened all the time.<sup>27</sup>

Like the Japanese male managers, the senior British male staff expressed a strong relationship with their fathers, though Mr Chambers and Mr Green had very conventional lifestyles.

It was a great advantage to have fathers and relatives in high positions in Japanese companies. Mr Yasuda's great-grandfather had had a bank and his grandfathers, his father and his uncle had had, and still had, high positions in banks. This helped him not only practically but also emotionally. He compared his work with that of his great-grandfather who had issued bonds in the City for the early stage of the modernisation of Japan. A relative of Mr Aoyama was also in a high position in his bank and his father had known people in the bank when he joined. He commented, 'I could have joined the bank without

having had any connections, but my father talked to someone in this bank when I wanted to join'.<sup>28</sup>

Having no connections through fathers and relatives made male managers feel there were difficulties. Mr Toda, who was in his thirties, commented that in his bank there were strong blood and marriage ties between managers in high positions. He confessed it would have been difficult to climb to the top level with his family background. His family owned a small family business in a local town and he had married a friend at university. This, according to him, would have been a disadvantage for becoming a top member of the bank.

Female managers also needed connections through their families and relatives. Female managers were asked to provide references from someone in their bank when they joined banks. Ms Akamatsu recalled, 'It is not allowed now, but when I joined the bank I needed to use my father's banking connection in order to gain a reference from someone in the bank'.<sup>29</sup> Women needed their fathers' networks to enter the male world. Men were the gatekeepers excluding women from the public sphere. When women wanted to enter into these networks they needed help from the men around them.

It seems to be the same in Britain, although it is said that male power in Britain is declining. Mr Chambers explained that he had joined a British merchant bank where his father knew some people, although he felt that it was not relevant to his joining the bank.

Losing one's father was an emotional disadvantage. Mr Honda's father had died when he was a child, and his mother had supported him by running a small business. When he entered university, his mother had asked him if he wanted to inherit the family business. He said that he wanted to enter the 'wider world' and he wanted to 'know more people'. We can see that the 'wider world' indicated the male world, and 'knowing people' meant making male networks. Mr Honda wanted to enter the male outer world, in other words, the public sphere rather than inheriting the small family business, which was a rather insular sphere.

At school, the bank managers had made lasting friendships. Mr Igarashi, in his late forties, talked about his close contact with the male friends he had made in a 400 metres running team. Mr Sano mentioned the friends he had studied with at university. Both of these men still met their friends, and sometimes exchanged information about business. However, primary school friendships seemed less relevant to these businessmen because the friends remained in their own home town. School friendships were important for male businessmen, which meant that women had to make extra efforts to survive in the male world. In contrast to the networks developed among the males, Ms Oki, in her forties, recalled that when she was at high school she was one of only three girls among 40 male students. She had to work in this male environment without the male friendships which men could enjoy. Ms Ono, who was around 30, told me that she had had difficulty in making friends both with girls and with boys since her childhood, because she was an

exceptionally high achiever at school. She has been an exceptional girl and at the same time alien among boys.

Older managers act as mentors towards younger male managers. Mr Aoyama's boss was a high-school graduate and had remained in the same section for many years. In contrast to his boss, Mr Aoyama was expected to be promoted to a senior manager's position from the beginning, because of his family and educational background. Sometimes his boss asked him to go for a drink after 5 o'clock, and behaved as if he were the mentor of the young hopeful manager. This satisfied the older man's sense of pride and status, and was accepted by Mr Aoyama. Mr Yoshino, a young manager, also said that he often received strategic career advice from his bosses.

Socialising among Japanese male managers is well known as being intrinsic to Japanese company culture. Japanese male managers go drinking and they play golf and tennis together, after 5 o'clock, or at the weekend.<sup>30</sup> A male manager said that Japanese company culture might be seen as a 'monosexual culture among men'.<sup>31</sup> Men came to companies early in the morning and went home late at night. Men spent most of their company lives together. This makes company life more difficult for women. For instance, Ms Yano said it was difficult to gain enough information, because she, as a woman, was not able to join in the male drinking after 5 o'clock.

As we have seen, Japanese male managers developed their networks, but their acquaintances were not always friends. They said it was difficult to make friends after they had joined companies because although, as has been emphasised, Japanese managers worked as a team, there was strong competition between them. In this sense the Japanese are not unique. They work together, but are competing with each other for further promotion.

Male managers developed a trust and understanding with their customers, which was another important aspect of networking. Mr Toda, in his thirties, confessed that he was very frustrated by the fact that he had been abroad for several years, though it was 'important for Japanese businessmen to make the acquaintance of customers'.

By the time we have risen to high positions in the bank, the customers whom we have met in our middle careers would also have reached high positions. We can become long-term acquaintances. We can talk about what happened when we did business together. It is invaluable for Japanese bankers. I have to develop my network, but I am now in London, so I cannot get to know many customers in Japan.<sup>32</sup>

Mr Toda's feeling was particularly related to the Japanese banking system. In conventional business in Japanese companies, the relationships among a corporate group are strong. Mr Toda's bank was a main bank of one of the biggest corporate groups in Japan; if he had gained strong networks with people among the group—manufacturing companies, trading companies,

securities companies, insurance companies, construction companies and so on—his strong connections could have helped him to achieve a high position at the bank. Mr Toda's worry was that while he was in London he would lose opportunities to establish his networking with these important bank customers. Even in regional banks without a strong corporate group, relations between banks and business people in the area were personalised. Bankers in relatively small banks also needed to establish their networks with customers. They promoted relationships with customers by attending important marriage ceremonies and festivals in their regions. This they could not do in London. However, being in London enabled them to make networks with their counterparts in other companies, since the Japanese community is a close business community, and they needed to exchange knowledge to overcome difficulties in doing business in London. Networking was a common worry for many Japanese male managers who had to stay abroad for many years. Hamada, in her work regarding managers in a manufacturing company, explained the desire to stay in Japan, as the people who had been sent abroad for many years risked missing out on the newest technological knowledge.<sup>33</sup> In contrast to managers in manufacturing industry, bank managers are concerned about human relations within a corporate group.

Senior Japanese banking personnel also have important links with the bureaucrats. Mr Aoyama said that when he was young he was trained in the Ministry of Finance with other bankers from other companies. They studied economics together in the Ministry of Finance building. Mr Aoyama pointed out that the most important task for him was to get to know people there. After that he worked as a negotiator for his bank with the Ministry of Finance. The most interesting point is that the people he met during his training in the Ministry of Finance were the acquaintances he knew at his high school and in the law department at Tokyo University. Mr Aoyama's story demonstrates how closely the banking people and bureaucrats are personally connected. There were also other examples of these links. Mr Harada, another graduate in law from Tokyo University, now working in London, also worked with the bureaucrats in the Ministry of Finance to develop financial business policies. In London, he is learning how to respond to pressure from Western countries to open the Tokyo financial market. Mr Ogata, who has been working in London for two or three years, previously worked at policy making with bureaucrats and other insurance company men. Mr Ogata and Mr Harada have come briefly to London to analyse the market and the state of international financial business and then they will go back to Japan. There they will prepare the next stages of the Japanese economy and will work with bureaucrats to develop financial policies. Although local staff expect their Japanese bosses coming to London to be skilled financial businessmen, Japanese managers sent from Tokyo are often this type, and therefore not specialists in business in the City. The purpose of their stay in London is not to develop their specialist knowledge or skills. This causes local staff to be

disappointed with their Japanese bosses. These financial negotiators enjoy influencing policy making in Japan, and socialising with the Japanese élite. Mr Tamara said to me with great pride, 'We are *marudome*, entirely domestic, aren't we?'<sup>34</sup> These financiers are *kokunaiba*, namely domestic bank managers, but to some extent they can gain international knowledge in London without losing their internal networks and status in Japan.

Japanese bank managers who work abroad have a strong ideology about the perfect career person. They are concerned about being away and also dream of becoming 'entirely domestic businessmen'. However, for some of them this is unachievable. Their career paths have already taken them away from Japan for many years. Therefore, they have already lost their internal network links. And furthermore, most of them have no acquaintances to help them in the Ministry of Finance. Managing directors who have spent more than half of their careers abroad, in London or New York, may already have lost their Japanese domestic connections, though some said that nowadays all Japanese companies need international business, so they can keep good connections with them. They are appreciated by local staff because of their understanding of international business and their Westernised attitudes. However, despite being board members at head office, connections with the core people in Japan for these managing directors are weaker than those of the 'entirely domestic' people. If international financial business becomes more important for the Japanese economy, the position of these international managers, *kokusaiha* would become more important.

These Japanese managers mainly socialise with other Japanese.<sup>35</sup> Consequently, Japanese specialists in the City of London said that Japanese business would not benefit from international networks for information. Yet this does not mean that Japanese men do not wish to mingle with Westerners. Mr Aoyama joined a golf club to make friends with British business people. Mr Hoshino made acquaintances through personal effort. Yet, most of them said that it was difficult to join the business world in the City. We have been looking at male networks among the Japanese, but the City of London is itself also a 'male' world, which the Japanese find difficult to enter. There are competing male networks of different cultures.

Male managers see themselves as being central within their companies, their families and their culture. Their world is so egocentric that this prevents them from thinking of others who also want to maximise their capabilities.

Most of my Japanese informants were married, and their wives concentrate on caring for the family, while many of the male British staff in my interviews were single. All the Japanese females who transferred from Japan to Britain were single with one exception who sent her daughter to a boarding school, which is not usual in Japan, and she had left her husband in Tokyo. Those who were sent from Japan have more conventional family lives than the local UK staff. Mr Igarashi, who was in his late forties, described his feelings about family:

If the value of work is not equal to the value of life, I cannot live. The value of work is not only in the office but should be more total. Working should include private life. My work is the core of my life, so even if my private life is sad and difficult, this sorrow is only one of the fringes of my life. If the master of a family has no joy in his work, the family is like a stagnant pond.<sup>36</sup>

Mr Igarashi locates himself at the centre of his family and he believes if he is happy in his work, this makes his family happy. In addition to this, he still uses the word '*shujin*' for the meaning of a husband, which means a master. The managers also use the word '*kanai*' for their wives, which means a person inside their homes. These words construct images of the relationship between a husband and a wife among these people. During my interviews at interviewees' homes, husbands talked about their passion for work, while wives tended to listen to their husbands' talk.

The younger generation of men, in their thirties, said that they helped their wives with the housework, for example, playing with the children or making breakfast on Sundays. Yet, they were still more passionate about their work than their private lives. They were sharing their lives with their wives more than the older generation, but the husband's working life still came first. Mr Koike, in his forties, met his wife when they were at the same high school. His wife's educational background was the same as his. She became a high-school teacher, but when Mr Koike was assigned to work in the US he asked his wife to quit her job to go with him and she agreed despite her unwillingness to leave her job. There was a strong ideology that women should quit their jobs after marriage among these bank managers. The female staff of banks resigned when they married husbands who worked in the same bank. Ms Oki said she sometimes meets her previous female colleagues who had married male bank managers when their husbands were assigned to work in London.

Mrs Ueno, who met her husband in the bank where she worked as a clerk, was now at home in London caring for her child. Her husband went to his bank early in the morning and came back late at night. She spent most of her time taking her child to school and socialising with other Japanese wives in London.

I cannot tell whether or not family lives are changing among the Japanese in general, but as far as the Japanese male informants I interviewed were concerned, Japanese bank staff still 'talked' about a conventional family lifestyle. Husbands concentrated on their work for long hours and wives waited at home for them, looking after the children. Mr Tamaru said that his wife now lived in Japan because of his son's entrance exams, but that she sometimes visited her husband and put food in the freezer. As these stories indicate, these 'élite' men were still enjoying their lives at the centre of their families.

Compared with these Japanese men, British male local staff seemed already to have lost their central position in the family. Mr Gibson was divorced from his wife and was concerned for his son, whom he said he rarely saw. Mr

McLead did not want to be assigned to work in France, because his wife did not want that. The husband of Elaine, a young female manager, took paternity leave to look after their baby. I was also very struck by the fact that most of the male local staff were single. This was in contrast to the stories of Japanese male managers' lives. For them, marriage was the norm, being single a disadvantage. Mr Chiba was asked by the personnel management department to marry before going to London and was introduced to several women by his bosses and customers to accommodate this request.

The Japanese male managers' image of themselves as core people in both their family and their companies invariably expanded to become an image of being at the centre of Japan. They talked about Japanese culture and Japanese company culture using homogeneous images. This tendency was stronger among 'entirely domestic' people, in other words, *kokunaiha*. Mr Jinbo said 'We are agricultural people, though the Westerners are hunting people. We stay in the same place and they move around'.<sup>37</sup> He used the image of Germanic hunting people to contrast with the character of the Japanese who endure difficult situations. The language of a unique Japanese culture is circulated among men at the core in order to defend their policies. Mr Sonoda also said that 'We are enduring this difficult situation, but we will get through it'. They are emotionally 'representing' their own national culture.

Japanese business specialists in the City talked about the difference between 'we British' and 'they Japanese'. British male staff, especially those in the senior managerial classes in Japanese companies, also talked about 'we' in Britain or England. Although they may not have been at the centre of the core people in the City, they had some feeling for 'we' when they had to face the dominance of Japanese men in their companies. Both groups of men were competing for cultural superiority as if they were representing their cultures.

As we have seen, Japanese male managers located themselves at the centre of the family, companies and their state, whereas Japanese women tended to be more silent. The next section will examine women's responses to this male dominance in human relations and to the male image of centredness.

### Women's responses to the male world—compromise, subordination and resistance

Confronted by the male world, Japanese female managers I interviewed did not show their discontent directly. Miss Hosokawa told me that women must not show their aggressiveness in the workplace. Compared to the British staff, Japanese female staff showed stronger conformity. Japanese women sometimes used words in the same way as men, as if to show allegiance. Women who voluntarily chose a supportive job, *ippanshoku*, said that this career was by choice. They had had the chance to choose the same career course as men, but they did not choose *sōgōshoku*, because they thought it was not a good career

course for them. Miss Hosokawa told me that she had chosen *ippanshoku* herself because it was more suited to her lifestyle; for instance, she did not have to relocate by order of her company. Furthermore, if she still remained single in the future she could move to *sōgōshoku*, but if she married she could continue to work as an *ippanshoku* worker. However, far from it being her own free, independent choice, Miss Hosokawa was, in fact, following the male managers' dominant discourse about *sōgōshoku* and *ippanshoku*.

Japanese female managers were also trying to follow the male idea of 'excellent workers', who did not want to marry. Female managers in Japanese banks were trying to be more efficient and harder workers than their male counterparts, though they could not expect to be rewarded. Miss Oki, who had worked in the same section in a bank for 12 years, told me:

I did not want to be a manager when I was young... I never thought about strategies to gain promotion... I did the same clerical work for three years with women who had just graduated from high school.<sup>38</sup>I was very busy. From 8 o'clock to 6 o'clock with no time for rest except my lunchbreak. I even felt there wasn't time to answer the office phone. So, I had no time to think about the difference between male and female staff... I just worked harder and harder every day.<sup>39</sup>

She seemed not to emphasise her self-esteem. However, it cannot be said that this was what she really thought. She told a 'perfect' story of the 'ideal workers' in the company, that is, workers who do not demand promotion or work conditions.

In addition to bearing being excluded from promotion for many years, these women tried to further their careers without any encouragement from their male bosses by studying in their spare time. Yet, sometimes their aspirations for the future were unrealistic compared to the future prospects of male core workers, which were pointed towards senior positions. Miss Hosokawa studied English on her own, though most male workers went to English schools in their company's time and with financial support from their company. Miss Kawakami was now studying new financial business on her own, though her job was merely a support post. These women could not expect any reward for their effort. Furthermore, it may be no use for them to reveal their expectation clearly, since she might be considered too aggressive.

Young *sōgōshoku* women did not talk about their marriages, because they knew that they could not fulfil the two 'ideal' roles of women, as wives and as excellent workers. Furthermore, if they talked about marriage they would have been treated as women who gave up careers. They just talked, as expected, about how they were trying to work hard. Yet Miss Ono told me that she was uncertain about what would happen to her and how male managers would treat her. Miss Yano revealed the conflict in her heart after the recorded interview. She told me that it was not good for a human being not to have a family, but it was impossible to achieve the ideals set for women

as wives and mothers. She also told me that she thought it was very important for children to be brought up by their own mothers. She wanted to play two roles as an 'ideal' mother and as an excellent worker in a Japanese company. She was aware of these inner conflicts which she could not resolve by herself.

Women, who followed ideals which are incompatible, had to rationalise their subordination. Ms Oki told me:

It is a shame that men have to move to different places so quickly. They have to do work which is not familiar to them. And they have to order their subordinates to work without having experience. But when I became a middle manager, I knew the work the best among us. So, it was easy to have subordinates. For women, it is better to be managers after they know the job very well.<sup>40</sup>

She justified the fact that women cannot get promotion as all-round staff like men. She even tried to convince herself that the situation of women is better than that of male managers. Miss Hosokawa also justified why *ippanshoku* was better for her career:

There are examples of *ippanshoku*. I know some female managers. They became managers about ten years after they entered this bank. They can be my models when I think about my future. I can follow the way they have gone. However, *sōgōshoku* women have no models to follow in their career course. They cannot know how to conduct their strategy in companies.<sup>41</sup>

These women also followed stereotypical ideas of femininity. Miss Hosokawa was a pretty woman with a nice smile, who believed that in her bank she worked as a supporter for male managers. She said that she could use her kind and soft manner to support men, so men could work more effectively. She thought that men and women were different, and that women could use their tenderness and caring attitude at work to help their male colleagues. She was careful about her clothes and behaviour. She said that she wore a tidy suit every day. Even though she was an *ippanshoku* woman, she still believed that she met bank customers as a representative of her bank. Her idea of work seemed to demonstrate the false images in Japanese work culture that all workers work with responsibility as if they are a homogeneous group.

They showed the conformity to the gender stereotypical images created by men, but they have some conflict in their minds, in spite of following the dominant male ideology. They have to rely on favours from male bosses. Ms Oki told me that she had been lucky because she had met some good bosses, who had encouraged her and had given her the chance to show her abilities, so she could get promotion. She did not think that female colleagues who had not been able to get promotion were inferior to her, but rather that their

bosses had not given them the opportunity. Ms Akamatsu said that it was important to like your work. She said, 'If you are happy, your bosses and colleagues will be happy. It is important that both workers and their colleagues are happy'.<sup>42</sup> It was important for women in the male world to keep male managers happy and untroubled.

Some women failed to conform to male ideas. Miss Kawakami, also an *ippanshoku* woman, told me about tea time. When she was in Japan if men said, 'Let's have tea', it meant she had to make tea for everyone in her section. She had been educated in the United States, surrounded by a more egalitarian atmosphere, and she thought that this was unfair, but she also thought it inevitable in Japan for women to make tea. Her mother had told her that she could behave freely in the US, but she could not behave in the same way when she returned to Japan. When she came to Britain, male workers asked her whether she wanted a cup of tea. She knew that this was a social convention, but she was still surprised and felt that men in this country were kinder than men in Japan. Miss Kawakami was regretting choosing *ippanshoku*, because it was clear that women of *ippanshoku* are not given the same chances as male core workers and *sōgōshoku* women. However she repeated that now she still had to conform to the present situation in Japan. She thought women in Japan had to follow men and should not show aggressiveness, and that they must think of men's feelings. When she returned to Japan, she would make tea for male colleagues every day, though she would try to find her own way of working in her company. Compared to Miss Hosokawa, Miss Kawakami could not internalise male ideas of women. Her inner conflict is apparent.

Emotional conflicts could cause a lack of confidence. Mrs Ueno, the wife of a bank manager, thought she could not go out by herself. She was 36 years old, but she behaved as if she were a girl in a frilly dress. She believed she could not speak English. She was unwilling to make friends by herself. Mrs Ueno was typical of some Japanese wives I met. Their clothes, hairstyles, and manner of speaking were girlish, but they had two conflicting feelings they wanted to be dependent on their husbands and be safe, but paradoxically they hated being dependent. They felt that they were powerless, or that if they showed their power they would lose their 'ideal' family life. Mrs Ueno could not stay at home with confidence, and she knew, or at least she felt deep down, that her 'ideal' family life was false but she was trapped within this lifestyle.

There is evidence of a generation gap concerning what is the 'ideal' mother. Most Japanese female managers told me that they had been encouraged by their mothers to be independent, although their mothers had stayed at home as housewives. Ms Akamatsu explained why she continued working. When her father had financial problems her mother was not able to do anything except visit Ms Akamatsu's grandparents' house to ask to borrow money. She said, 'I observed that and I thought I should have financial independence. My father told my mother that she could not do anything, when my mother

wanted to work outside home to help my father'.<sup>43</sup> She had thought from the time of her childhood that it was necessary to be independent financially. I also asked Ms Oki, in her forties, why she continued her job, though most of her friends and colleagues resigned from her bank. She said, 'It is probably because I saw my mother's life. There were conflicts between my mother and my grandmother on my father's side who lived with us. Although my mother graduated from *jogakko* (girls' secondary school),<sup>44</sup> she entered my father's houses'.<sup>45</sup> Ms Oki had thought that her mother had been powerless in her family in spite of her high qualifications for a woman at that time.

Is subordination a special characteristic of Japanese culture? Or is the subordination the result of the power relations between people in the banks? I cannot say whether those educated, but still subordinate, interviewees indicated that there were still strong ideas about women's roles in contemporary Japan. These female managers were, as trail-blazers in large Japanese corporations, using personal strategies rather than using collective power, since they were located around male networks. However, this did not mean, I believe, that they were accepting the situation of women. They showed conformity to hegemonic male discourses, but they were in practice trying to find their own pathways.

Japanese women expressed their discontent in their own ways. For example, female Japanese clerks, who the Japanese male managers said worked twice as hard as the British, expressed their hostility towards male managers in their everyday working lives. Mr Nishikawa told me that when he entered his bank he was ignored by routine female workers and how hard this was for him. He said:

Men who had graduated from university were impertinent, although they did not know their work well. So the women attacked us on that point. It is natural in the psychology of human beings. They were enjoying it.<sup>46</sup>

Small acts of resistance could be considered as the women's way of expressing their discontent at the unfair segregation in companies, but some women showed their discontent by resigning from companies. This was also a kind of resistance to Japanese *otokoshakai*, that is the male world. Female managers who worked in financial firms showed their conformity and tried to hide their internal strength, but they did not form the majority of women entering the same firms in the same year. The majority of female workers had already resigned a few years after joining the companies. The motivation of Japanese-born local employees to leave companies, which will be described in Chapter 7, was similarly related to discontent in the workplace. If discontented, they resigned from their workplaces and tried to change their lives. Sachiko, in her forties, described how work for high-school graduates in the bank was segregated between men and women.

I felt discriminated against after I entered the bank, although my family had traditional ideas, which would have been more obvious if I had had brothers. As I only had sisters, we were all treated equally... After I entered we were trained for about one or two years as bank workers. We were trained for the work that women had to do. It was not bad, but there were already differences between men's work and women's work. The work for men was outside our bank and was concerned with getting deposits, and women's work was clerical work inside the bank. It was of course important, but I was more ambitious at that time. So, I wondered why women could not go out. Female workers had limitations on their work.<sup>47</sup>

We have seen that these Japanese female staff had attempted to find their own paths in their situations by showing conformity as a personal strategy or, alternatively, they had resigned from the male world, showing their discontent. Although in their stories they come over as women perhaps lacking in assertiveness, they are in fact trying to find their own space within and outside male-dominated Japanese society, and furthermore, they are trying to find another 'story' or vehicle through which they can express their self-esteem.

### **The British 'gaze' on Japanese gender relationships**

It might be seen that Japanese transnational companies have applied their original gender relationships to their local staff. However, as the management was divided between two work cultures, career courses for Japanese women within Japan did not apply to the British female staff, and they were treated differently from their Japanese counterparts. For example, while Japanese female managers thought it was incompatible to work for a bank and to be a mother, pregnancy and maternity leave was not a problem for Elaine:

My view is that they think I am British and they also think that I am a woman... I have no problem because of being a woman... When I gave birth to my son, I had maternity leave, and the British government paid for it, and the company did not replace me, and after the maternity leave I came back to the same position.<sup>48</sup>

Despite Elaine's assumption that women have no difficulties in working for the Japanese company, British managers perceived that Japanese financial firms generally had gender problems. For instance, Mr Green said:

The bank is not reluctant to recruit women as long as they are good. We had a woman recruited here not long ago, but now she has left due to personal reasons, that is, her husband moved. I do think there

is a reluctance among Japanese management to consider women to begin with. They much prefer to have men than women because Japanese men have difficulty dealing with women as equals. If they have to deal with British women and the conversation becomes confrontational, they would have a problem, I feel.<sup>49</sup>

He thought the reason for the problem was that ‘Japanese men have a very different view of women, whereas women who are working to pursue a career do not have a traditional view of women. The British women have a much more modern view of women. I think there would be a clash between the two views’. According to him, Japanese banks:

...are prepared to recruit women. I have seen it in the past. But one of the problems is women are not prepared to come and work here. We tried to get some women but they won’t come. The British women see no career advancement for women in Japanese banks. They say that if they go to a Japanese bank, they have no potential for promotion, etc. We have no evidence to say no. It is a vicious circle. Because if they don’t come, we don’t have any evidence.<sup>50</sup>

He gave me an example of Japanese men’s conventional ideas about women:

One night he asked whether I would go to *karaoke* and I said, ‘Yes but I have to phone my wife first’. He asked me why I needed to do so. So I told him that I had to ask her whether I could be late. He asked me why again. He said he never had to ask his wife. To me, if I don’t ask my wife, when I get home, the door will be locked and I will not be able to get into the house. It was a different relationship and he could not understand this because he sees his wife as ‘I come in at 2 o’clock in the morning, if my wife is in bed, she has to get up. If I want something to eat, she must get me something to eat. In the morning, she must wake me up, get my breakfast, get my shirt and everything and I am at my work at the right time. That is her job’. He was only 36 or 37. To me he was a very traditional Japanese.<sup>51</sup>

When I heard this I could not accept his story at face value, because this Japanese boss may have been trying to show his strong masculinity to his British colleague in order to claim his superiority. Here, we can see the images of arrogant Japanese husbands.

As we have seen, management was segregated into two. British staff were therefore treated according to British employment laws. However, segregation in working practice between British and Japanese, and between men and women, constructed stereotypical images of gender such as the arrogance of Japanese male managers and the weakness and powerlessness of Japanese

women. These images were continually created through everyday working practice. I cannot say which came first: the images, or the reactions which supported these images.

Although Mr Green suggested that the Japanese were reluctant to employ women, there were some female local staff in managerial positions. However, because of adverse stories about Japanese work cultures, and especially British images of gender roles in Japanese companies, they hesitated to work for Japanese companies before joining. Ms Roberts recalled when she was about to come to the bank:

I was asked if I was interested and I said, 'No', at first, because I thought that from all the stories I'd heard that the Japanese were fairly anti-female, I have to say.<sup>52</sup>

Ms Morris remembered when she came to the bank to be interviewed for her job:

My second interview was the first time I'd really spoken to a Japanese person. I remember distinctly, he said, 'Do you think you will leave and have babies?' I said, 'Possibly, but I have no immediate plans for a few years', which was true, not for a few years. He replied, 'Ah, right, yes. Very good'. That was the main thing that I remember, because I thought, 'You're not allowed to ask me that!' Under British employment laws, I don't think you're allowed to ask such a question.<sup>53</sup>

Such questions to female job seekers are not unusual in Japanese job interviews. Probably the Japanese managers did not know it was illegal in Britain to ask such a question, which male applicants would not be asked. However, this lack of knowledge and male Japanese behaviour has encouraged the construction of the British view of Japanese male managers as anti-female. Through everyday business, Japanese male managers or Japanese customers reinforce this anti-female image. Jennifer Morris also recalled from her experiences:

It's not so much a Japanese company, some of them do react unfavourably to women. My English colleague is not a graduate, and he's quite a few years older than I am, although we do exactly the same job. But (Japanese) people assume that he is my boss, which he's not.<sup>54</sup>

She was annoyed by the stereotypical images held by Japanese men that young women must be support workers. She was trying to get through this situation:

They assume that he's my boss. If you start talking in a meeting, you can make it very evident that he's not my boss... But I was doing a lot of the talking to the Japanese gentleman, and he was talking to

my colleague, who was silent. Then I would talk again. And he was asking my colleague. I found this really annoying, actually. But that's only happened once. I don't know whether that's because the Japanese man was just not used to having an English woman to speak to. You assume that the English gentlemen will do the work, and you just make the tea or something. I don't know!<sup>55</sup>

Her strategy is in contrast to that of Japanese female managers we have seen, and her way seems successful. She said:

I remember once, it was a late meeting he was in, and I offered him and his guest a cup of coffee. When I brought it into the meeting room, my manager said to his guest, 'Please understand, this is my colleague, she has offered me coffee', which was nice of him.<sup>56</sup>

Furthermore, she mentioned a story heard from this manager:

There are very few professional women in the London Branch, but one of them is a barrister, very well qualified... When they recruited her, my Japanese manager said they especially went for a woman as a lawyer, because they felt that she would have had to achieve more to become a barrister than her male counterparts. They thought she would be more dedicated and conscientious.<sup>57</sup>

She analysed the above as positive signs that Japanese male managers were changing in their attitudes towards women. However, her story could be interpreted in different ways. First, she may have been flattered by her Japanese bosses. Second, she may have not wanted to point out her direct boss's anti-female attitudes. Third, the British barrister may have had a 'nominal position' in the company.

Mary Chapman, a young female clerk, suggested that the existence of women in high positions was indeed nominal:

There's a woman who is in charge of... I don't know what she does... We tend to think of her as more or less like a token. Sort of a one-off, just so that they can say, 'Oh, we do have one senior woman'.<sup>58</sup>

The two opposing opinions could be interpreted in two ways: Japanese men were learning Western ways towards women, or they may be trying to deny that Japanese companies were anti-female. In both analyses, we can point out that it was certainly true that Japanese men were stereotyped by British women as anti-female.

Ms Roberts, a personnel manager of a subsidiary company, remembered one Japanese manager who had always had problems with British staff:

There is one particular person who is very Japanese and causing a constant problem, because he just thinks in a Japanese way still, and he does directly supervise a group of local staff, and that does cause a lot of problems still.<sup>59</sup>

Personnel managers such as Ms Jones needed to teach Japanese staff how to behave towards women:

We still have problems, when delegates come straight from Japan. I have had one recently. He looked on the girls as being sex objects. He would make comments about their clothes or their figures, or their legs, or parts of their body. And this isn't acceptable to Europeans, and I had many complaints, and so I had to speak to the gentleman concerned, and tell him that this was not the way we did things in London, and he's been fine since.<sup>60</sup>

She said that the personnel management department used English classes to teach the Japanese English ways of behaviour:

If I hear there is a problem, I will say to the teacher, 'Mr So and So is not saying "please" and "thank you" and is treating his staff badly, please could you talk to him about this?' And so the teacher brings it into the lesson. 'When you want someone to make a cup of coffee, you say to them, "*Please* will you make a cup of coffee?" ... They don't realise it's a criticism, but, nevertheless, they learn the correct way to do it. And we've had a few like that.'<sup>61</sup>

These Japanese ways of speaking by men were taken as evidence of their arrogance, whereas some female managers like Ms Jones said it was changing. It is difficult to judge the Japanese men's attitudes from the stories. I found that British female managers who were satisfied with their positions took more positive attitudes towards the changes in Japanese bosses' attitudes, whereas women who were generally unsatisfied with their situations in Japanese companies had negative views about the Japanese men.

Japanese men had a different analysis to the anti-female charge. Some of them said to me in the interviews that they had to be careful about 'sexual harassment'. They said that some behaviour considered as sexually harassing in the UK would not be considered as such in Japan.

These stories demonstrate how the anti-female attitudes of Japanese men were talked about by the British women<sup>62</sup> and how the Japanese male managers were trying to negate these images.

British staff seemed to regard Japanese women as subordinate. None of the British women knew of the existence of *sōgōshoku*, and saw Japanese

female staff working in very low-status positions in spite of their language ability and qualifications.

British personnel managers said that Japanese women were very subordinate even if they were married to European husbands. Mr Hunt, a personnel manager, made this observation:

The Japanese women are less inclined to have a frank discussion with me. The British staff, a British girl may come to me and say, 'I am not very well. I'm having problems with my period', or 'I'm having problems with my boyfriend', or those sort of things... They will also discuss and argue more, whereas Japanese girls will certainly not discuss such private matters, they will not argue or...or persist, or you know, counter-claim. They are much more compliant. And, I mean, there are other things as well, like, I notice that Japanese girls will talk to the British staff in a certain way, perhaps almost one-to-one, equal, but if they are then spoken to by a Japanese man, they will adopt a different attitude, they will, as you probably know yourself, adopt, often, a higher-pitched voice tone, because that is the training, to speak in a higher-pitched tone. So all of those, I think they are more subordinate. It seems to be breaking down somewhat, but again, a long process I think.<sup>63</sup>

Another personnel manager, Mr Rogers, said that Japanese locally hired women had difficulties in solving many problems in their lives:

Usually when they lose their husband or whatever, they have all kinds of problems. Tax, doctors. They will pretend until they get really stuck. And then they come and ask for help. They leave things too long. Until they are really in a mess... They don't like other people to think they are in trouble. An English woman who has trouble, she has brothers, mother or sisters. When a Japanese here is in trouble, she's got nobody to turn to for help. And if you live here many, many years, even if your English is quite good, you will still never, ever become as a native English speaker. English is full of intonation, and so many things they miss. So many forms to fill in. The trouble is, if you have trouble with the gas board, the electricity board, or British Telecom or something you have to sort it out, they are often in trouble like that.<sup>64</sup>

British personnel managers have stories about Japanese women who do not want to speak about their troubles and do not want to ask for help from others.

The stories told by British staff about Japanese employees construct cultural stereotypes about male dominance and female subservience in Japanese society.

It was clear that sexual stories in companies reflected power relationships between Japanese male bosses and British staff. Japanese bosses, who monopolised power in the companies, were described as sexist, especially by British staff in lower positions. On the other hand, locally hired Japanese women were talked of as the most pitiful and powerless group. British male personnel managers showed patronising attitudes to these women in their 'talk' about them. Gender images of other groups were more like stories of power relationships.

### **The Japanese 'gaze' on British gender relationships**

It was a surprise to discover that Japanese staff considered gender relationships of the British to be unsatisfactory and less suitable than their own. They also had gendered stereotypes of the British staff. Japanese bosses talked about British male staff:

They had an extremely high level of education. The important members of this company and those doing difficult jobs are from Oxbridge, other universities, and polytechnics where they studied physics or natural science. They individually have high abilities.<sup>65</sup>

However, they did not recognise them as competitors:

The people whom Japanese financial firms could employ before were of a low level. From the point of the view of the people in this country, to work for a Japanese bank means working in a foreign company. The best people will work in major companies in this country. The scale of our bank was small, so excellent people did not come to our bank before. The size of this bank has gradually become bigger, and we can now pay for these excellent people. However, the top people do not come to our bank, I think. People who join our bank are just below the top.<sup>66</sup>

In contrast to these Japanese images of 'excellent' British male staff, they had stories about 'lazy' and 'unreliable' British female clerks. For explaining such images, Japanese managers used contrasting images of classless Japan and the class society of Britain:

We have middle sort of workers in Japan, but in Britain they do not have. I think this is a basic difference between Britain and Japan. In Britain they have only unskilled workers and secretaries.<sup>67</sup>

Mr Katano also had an image of working-class clerks:

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I think the specialist managers in this company are middle or upper class, but the staff who are in the backup office are from the lower class.<sup>68</sup>

These managers talked about contrasting images of well-educated male managers and lower-class female clerks. The story of class society in Britain was well circulated among Japanese bank managers, and they used the story for switching the issue of gender to one of class.

In spite of the problems of gender talked of by the British, Japanese managers denied the existence of such a problem. Mr Katano ignored the existence of any female managers:

We have few female financial ‘specialists’ in our company. In general, there are few women in the securities business in Britain, or in other countries. Women may be able to manage banking business, but the securities business needs more energy which women cannot manage.<sup>69</sup>

He seemed to be angry when I asked about the problems:

You say that employment in Japan is unfair to women. This country has problems of class, which is pre-modern. The group of specialists in the City are exceptional. In Japan, both women and men, who graduated from university also do clerical work as well. In this sense our country is a more egalitarian society.

*Do you have any problems related to women?*

No, we do not.

*So, do women in this company contribute to this company?*

We do not have female financial specialists.<sup>70</sup>

Even a younger male manager denied the existence of gender segregation:

I do not consider myself as a man. I am an individual, and other people look at me as an individual as well, but not a man.<sup>71</sup>

These Japanese male managers made gender invisible. However, there were a few who suggested that their ideas about women had changed since they had begun to work abroad. Mr Koike, whose wife was a freelance journalist, was more progressive:

When I was in the US, there were many women in high positions, and they spoke about business very well. Outside Japan, banking business has become a women’s arena. However, if you attend a

meeting of the board of directors in a director board in a Japanese bank, they are all men. Men with suits! I wonder why... In this sense, Japan is very behind. We have to create a society in which able people fulfil their abilities without limitation of age and sex.<sup>72</sup>

However, such progressive views were exceptional.

In spite of my expectations that the Japanese female managers would say that gender relationships in Britain were much better than those of Japan, they said that British women were too assertive. Ms Kawakami said:

I feel that British men are kinder than Japanese men. For example, they make tea for us, but I know this is only superficial kindness, but still I feel they are kinder than Japanese men... This country has a custom of 'Ladies First', so it is natural if a secretary throws things at her boss's desk, though it is surprising in Japan. In Britain, it is natural if a husband prepares a meal for his wife... [But] I think women need to be good at work and also need to be considerate.<sup>73</sup>

Ms Hosokawa also illustrated stereotypical views:

I think British women are strong, and British men are 'gentlemen', though not all of them. In general, British women are strong, but I do not think they need to be so strong. The people who returned to Japan said to me, 'In Britain, food is not tasty, women are threatening, and British men are pitiful. Women do not smile. There are few amiable women'. I feel all the British women are curt, though if I become close to them, they may become more friendly.<sup>74</sup>

Here, we can see the feeling of competition as women who are 'others' for men. She was proud of her femininity as Japanese. Locally hired Japanese women, who did not like the sexual discriminations against women in Japanese corporations, were competing with British female clerks in terms of being hard-working at work. Nevertheless, they still held conventional ideas of the family life. They cooked for their husbands and had responsibilities for housework and children. Mami, in her twenties, talked about her British husband:

As you can imagine, men are the same everywhere. They are spoiled by their mothers. My husband does not do any housework. I do all the housework after I come home every day.<sup>75</sup>

More surprisingly, Ms Oki told me after the recording that the reason why the feminist movements had arisen in this country might have been that British women had been in a worse situation than women in Japan. She said that women in Japanese organisations were in the better situation, because they could be promoted if they were supported by their male bosses.<sup>76</sup>

The discourses of Western feminism had not circulated among these female managers who had remained in large Japanese corporations. For both Japanese men and women, being in another culture did little to influence their gender identities. It rather emphasised their cultural ideology of masculinity and femininity both at work and in society generally. Japanese male bosses respected their local male managers because of their educational background, but the Japanese did not perceive the British as the best in British society. The sense of competition could be detected in the interviews. Japanese women showed their sense of competition towards the British female staff by emphasising their excellence at work as well as their femininity. Despite my expectations before the fieldwork, any discourse of Western feminism seemed to have failed to reach their agenda.

### **Conclusion—interrelation between gender, ethnic and class identities**

Despite my expectation that Japanese transnational workers must have gained new ‘progressive’ gender identities, most Japanese men and women who were sent from Tokyo expressed the superiority of their gender identities whereas, on the other hand, the British staff talked about the backwardness of the Japanese gender identities.

Gender identities are an important topic in the stories of cultural relationships. And gender identities tended to be exaggerated in these multicultural situations. Segregation in working practice between British and Japanese, and between men and women, constructed stereotypical images of gender. As we have seen, Japanese men are described as sexist and Japanese women are depicted as subordinate by the British staff. By contrast, most Japanese men and women expressed the superiority of their gender identities. British staff argued that the Japanese should adapt in terms of culture, and that Japan is behind historically. Both groups created their images of ‘self in defence towards ‘others’, focusing on gender relations. These images were continually (re)created through everyday working practice.

These gendered stories were the result of the power relationships in companies, and they constructed the segregation between the two cultural groups. Men of the two cultural groups, especially the well-educated managers, showed competitive feelings not only in terms of business knowledge, efficiency or hard work, but also in terms of the perceived superiority of their own masculinity. In English literature concerning masculinity, the hegemonic masculinity is usually that of the white, middle-class male. However, in the Japanese transnational companies, the ranking of masculinities was confused. The Japanese have strong power in terms of management, but local staff feel culturally hegemonic. The strong ethnic culture of the Japanese companies did not allow the British staff to participate in the final decision-making of

the Japanese managerial group. However, the Anglo-American culture dominated financial business in the City, which excluded Japanese businessmen from their international networks. As a result of these inner and outer power relationships around the corporate culture, men of different cultures were competing psychologically for hegemonic masculinities. On the other hand, the femininities were contrasted and compared by both men and women. Male managers especially commented on the femininities of women from their own and other cultures. Contrasted femininities were used in order to patronise women. Women also talked about their femininities in contrast to those of other cultures.

Competition between men from different ethnic groups created stories of whose masculinity could be deemed to be hegemonic. However, competitions have not reached a conclusion, and are ongoing. As part of the expression of their masculinities, these men also commented on femininities of 'their' women and 'other' women. Although gender identities were talked of as ethnic characteristics, stories of caricatured gender identities were expressive of power relationships. When Japanese men were challenged over identities they mentioned class relations in Britain. Gender, ethnicity, class were all used for expressing power.

Different gender identities are obstacles for communication between the different cultures and, at the same time, gender identities are used for defending and supporting their cultural identities. The gender identity of each group, which often became a stereotype, was exaggerated in their talk in order to differentiate their cultural identities. This also suggests that the discourses of gender in Western middle-class culture can be understood in a more relativistic way as particular cultural discourses. I do not intend by this that Western cultural discourses should be rejected, or gender identities which were described by some of the Japanese transnational workers are not contestable. There can be different cultural discourses in different cultural contexts. In addition, when we look at cultural identities in multicultural situations, gender identities are indispensable factors. And gender identities tend to be exaggerated in such situations. Gender identity is one of the most important factors in contrasting cultural identity.

Although it is important to define clearly what is meant by sexual harassment and gender discrimination in the transnational workplace and for these issues to be treated seriously, it is also important to clarify the problems of power relationships inside companies that use exaggerated gender images of others, in order to find rational solutions for communication between cultures.

## Notes

- 1 R.W.Connel, *Masculinities*, 1995.
- 2 James Clifford, 'Introduction: Partial Truth', in James Clifford and George E. Marcus, eds, *Writing Culture: Poetics and Politics of Ethnography*, 1986.

- 3 Andrea Cornwall and Nancy Lindisfarne, eds, *Dislocating Masculinity: Comparative Ethnographies*, 1994.
- 4 Cliff Cheng, *Masculinities in Organizations*, 1996.
- 5 Tomoko Hamada, 'Unwrapping Euro-American Masculinity in a Japanese Multinational Company', in Cliff Cheng, ed, *Masculinities in Organizations*, 1996.
- 6 Alice Lam, *Women and Japanese Management: Discrimination and Reform*, 1992. She also pointed out that the ratio of female managers is markedly lower than that of the Western industrial countries; for example, the US 39.8 per cent, former West Germany 18.4 per cent and Sweden 21 per cent, whereas in Japan it is only 8.8 per cent. See Alice Lam, *Ibid.*, p. 15.
- 7 As for women's employment in Japan, Mari Osawa pointed out that after the oil crisis the male-centred social policies were strengthened to keep economic competitiveness. Mari Osawa, *Kigyō Chūshin Shakai wo Koete: Gendai Nihon wo Gender de Yomu (Beyond Company Society: Reading Contemporary Japan from Gender Perspectives)*, 1993.
- 8 For literature written in English about women's work in Japan, see Janet Hunter, ed, *Japanese Women Working*, 1993; Mary Saso, *Women in the Japanese Workplace*, 1990. Jeannie Lo, *Office Ladies, Factory Women*, 1990; Dorinne Kondo, *Crafting Selves: Power, Gender and Discourses of Identity*, 1990.
- 9 Alice Lam pointed out how the EEO Law was implemented by guidance from government and pressure from the employers' organisation. Alice Lam, *Women and Japanese Management: Discrimination and Reform*, 1992, pp. 117–40.
- 10 See Chapter 2. For networks of bureaucrats and company executives, see, Ulrike Schaede, 'The "Old Boy" Network and Government-Business Relationships in Japan', *The Journal of Japanese Studies*, vol. 21, no. 2, 1995, pp. 293–317.
- 11 'A Love Affair at Work Turns Sour', *Independent*, 15 May 1996 (Peter Popham); 'Japanese Sex Bias Forced Me Out, Says City Dealer', *Daily Telegraph*, 3 August 1995, p. 3.
- 12 This is also reported in Mary Saso's study on Japanese electronic companies in Britain and Ireland, though the study is about manual workers on the shop-floor. Female workers showed more discontent than male workers, though the shop-floor in electronic companies is a more female workplace than the managers' world in banks. Mary Saso, *Women in the Japanese Workplace*, 1990.
- 13 The relationships between gender and cultural identities are important to examine. For gender and Muslim women, see Valentine M. Moghadam, ed, *Gender and National Identity: Women and Politics in Muslim Societies*, 1994.
- 14 Alice Lam, *Women and Japanese Management: Discrimination and Reform*, 1992, pp. 200–17.
- 15 For *sōgōshoku* and *ippanshoku*, see Chapter 2.
- 16 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1995.
- 17 Interview 27, with a Japanese male manager (at a branch of a bank), in his 20s, interviewed in London in 1992.
- 18 As for British women in companies, Michael Roper described female managers in the post-war period talking about obstacles they experienced in their workplaces. Michael Roper, *Masculinity and the British Organization Man since 1945*, 1994, p. 190.
- 19 Interview 24, with a Japanese male manager (at a branch of a bank), in his 30s, interviewed in London, in 1992.
- 20 Interview 27, with a Japanese male manager (at a branch of a bank), in his 20s, interviewed in London, in 1992.
- 21 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading

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- company), in his 50s, interviewed in Tokyo in 1994.
- 22 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 23 Interview 88, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.
- 24 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 25 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 26 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 27 *Ibid.*
- 28 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 29 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1995.
- 30 For the socialisation in the Japanese corporate culture, see Eyal Ben-Ari, *Sake and 'Spare Time': Management and Imbibement in Japanese Business Firms*, Papers in Japanese Studies, no. 18, Department of Japanese Studies, National University of Singapore, 1993.
- 31 Interview 17, with a Japanese male manager (at a branch of a bank), in his 30s, interviewed in London in 1992.
- 32 *Ibid.*
- 33 Tomoko Hamada, 'Under the Silk Banner: The Japanese Company and its Overseas Managers', in Takie Sugiyama Lebra, ed, *Japanese Social Organization*, 1992.
- 34 Interview 97, with a Japanese male manager (at a branch of an insurance company), in his 40s, interviewed in London in 1995. 'Marudome' is a jargon word among the Japanese managers which indicates Japanese businessmen who do not change their ideas and attitudes even when aboard.
- 35 Japanese businessmen are written of as people who are always together as a group. See Anthony Sampson, *The Money Lenders*, 1988, p. 208.
- 36 Interview 22, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 37 Interview 43, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 38 Even though she graduated from a competitive university, her clerical work was the same as that of women who graduated from high school.
- 39 Interview 29, with a Japanese female manager (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 40 *Ibid.*
- 41 Interview 26, with a Japanese female manager (at a branch of a bank), in her 20s, interviewed in London in 1992.
- 42 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1995.
- 43 *Ibid.*
- 44 In the pre-war period girls went to a primary school, and after that some girls could go to *jogakko*, which meant their family was able to support these girls well.
- 45 Interview 29, with a Japanese female manager (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 46 Interview 10, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.

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- 47 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 48 Interview 58, with a British female manager (at a branch of a bank), in her 30s, interviewed in London in 1994.
- 49 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 50 *Ibid.*
- 51 *Ibid.*
- 52 Interview 61, with a British female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1994.
- 53 Interview 62, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1992.
- 54 *Ibid.*
- 55 *Ibid.*
- 56 *Ibid.*
- 57 Interview 62, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1992.
- 58 Interview 60, with a British female clerk (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 59 Interview 61, with a British female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1994.
- 60 Interview 77, with a British female manager (at a securities company), in her 40s, interviewed in London in 1994.
- 61 *Ibid.*
- 62 On the other hand, young Japanese men were looked upon sympathetically by some British women. Ms Harris, a secretary, was sympathetic to her male Japanese colleagues' complaints about long working hours. She said that when she tried to say 'hello' to her Japanese colleagues at the office, Japanese men began to say hello to her. She also said that some of them were nice people. Ms Morris also mentioned her young Japanese colleague, who had decided to work for an MBA after 5 o'clock. She thought he was more Westernised than the Japanese who just stayed in their offices after 5 o'clock.
- 63 Interview 68, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 64 Interview 47, with a British male manager (at a securities company), in his 40s, interviewed in London in 1994.
- 65 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London, in 1992.
- 66 Interview 9, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 67 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 68 Interview 2, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 69 *Ibid.*
- 70 *Ibid.*
- 71 Interview 27, with a Japanese male manager (at a branch of a bank), in his 20s, interviewed in London, in 1992.
- 72 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 73 Interview 31, with a Japanese female manager (at a branch of a bank), in her 20s, interviewed in London in 1992.
- 74 Interview 26, with a Japanese female manager (at a branch of a bank), in her

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- 20s. interviewed in London in 1992.
- 75 Interview 50, with a locally hired Japanese woman (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 76 Interview 29, with a Japanese female manager (at a branch of a bank), in her 40s, interviewed in London in 1992.

## 6

# FLOATING IDENTITIES BETWEEN TWO IMAGINARY WORLDS

Why is segregation between cultures maintained, and how do people react to their multicultural situations? We need to look at their inner selves, and at their view of the world, in order to explain the multicultural situation and the difficulties that arise in communication between two cultures. The construction of their self-identity as being different makes them keep to their own way of life and work, rather than allowing themselves to be influenced by the ideas of a different culture.

Identity can be defined as an expression of ‘who I am’, ‘where I belong’ and ‘how I belong there’.<sup>1</sup> In multicultural situations in Japanese banks in the City, individuals were always locating themselves between cultures, and their sense of belonging was always being challenged; therefore, both personal and collective identity were at the forefront of interaction between the different cultures. The Japanese had power inside their companies, but they had less power culturally in the Anglo-American environment of the City. This was the opposite of the relationship which prevailed in Western multinational companies, where power relationships within companies reflected the environment outside.

This chapter examines the collective identity of different groups in turn, focusing on their sense of belonging and their world-view. I first explore what the Japanese said about themselves and about their world. Second, this chapter focuses on the British staff. We look at the self-image of the British who chose to work for the Japanese. Third, I discuss how these collective identities cannot be seen to apply to everybody within a culture. Diversification of identity suggests that those who located themselves at the core of their society talked about themselves as if they were representative of the culture. Japanese on the periphery tried to identify with this ‘core’ identity more than the British. There were even efforts in this regard made by women, or lower-status workers. Identity was in fact diversified according to gender and status within their own community. Finally, I look at how such identities moved in time and space. In this period of globalisation, both individual and collective identities were and are changeable and fragile, moving between past and present, and between countries. People’s identities were less and less fixed in any one culture.<sup>2</sup> In other words, individuals were floating between different

value systems, presenting different selves. However, dominant discourses still emphasised different national cultures. This affected the understanding of others, and created and perpetuated segregation between groups who thought of themselves as belonging to different cultures.

### **Japanese sense of self and views—two contradictory centres**

The Japanese have been considered as holding a unique position in modern world history. They came to join the modern Western world in the late nineteenth century, but they were not colonised by Western powers; indeed, they themselves colonised other Asian countries until they were defeated in the Second World War. They created their own psychic world-views in relation both to the West and Asian countries.

As we have seen in the previous chapter, being—emotionally—in the centre of Japanese society, Japanese bank managers have been taught at school and at home stories of the world and their location in that world. They also circulated such stories among themselves and friends. In their stories talked of in the interviews, we can see these bank managers occupied two contradictory centres in their world: in the West, and in Japan as a leading country in Asia. For the Japanese, modernity is joining the Western power as a latecomer, but they have been ethnically and culturally ‘other’. Trying to assimilate to the West as if they have always been members of such an élite club caused emotional conflicts for the Japanese, and all the while they continued to emphasise the superiority of their identity. Vacillating between the core of the West and their own uniqueness, these Japanese leaders floated emotionally between the two, occupying a space in the middle.

### **Belonging to the company**

Japanese bank managers whom I interviewed had a strong sense of belonging to their companies. Loyalty to the company was stronger in those companies which took more care of their employees. A bank, a corporate culture, demanded that its employees were hard-working, and introduced retiring employees to two further subsidiary companies before they retired at 65,<sup>3</sup> though other banks introduced a retired employee to only his next workplace in a subsidiary company. These introductions made employees feel safe and want to work hard for the company.<sup>4</sup>

Well-cared-for employees perceive themselves as part of their company. The Japanese who were sent from Tokyo expressed the view that each of them represented their company. Mr Toda said he had worked under the company’s *kanban*, i.e. the logo of his company. He described how his life in a large company had been more secure than the life of his father, who had

had a difficult time when he was running a small family business. Ms Hosokawa was smartly dressed and said that she met the bank's customers, as if she had been president of the bank. Fuyuko was delighted when she had been told that she was like a pillar of the bank. Both Fuyuko and Ms Hosokawa were segregated from key positions in the company, but they had internalised the ideology of 'homogeneous Japanese companies'.

The sense of being part of the company also creates the images of homogeneity among company employees. Despite such images, in fact, there was fierce competition among key workers, and only male graduates from top-ranking universities could compete for top positions in the company. Mr Yamada was laughing at himself when he said that the working lives of Japanese male managers were like horses racing with carrots in front of their noses, and that this lasted for 30 years in the same company. Such competition caused bitter feelings among retired people and employees who found that their careers had not been as successful as they would have wished, and that they had not ended up on the company board.

Although there was a strong sense of belonging to the company, and fierce competition among key workers, this did not mean that all company men had a strong identification with the company, or that they were blindly obeying hierarchical orders. Mr Ogata was from the generation of 'baby boomers'<sup>5</sup> who were considered more liberal than the older generation, and he thought his sense of belonging did not arise from his being a passive hierarchical person. He thought he had always tried to find his own way.

I do not like to be told that I am a 'salary thief', so I want to work harder than this company expects me to. I think a 'salary man' is also a professional job, so I have to work hard, but I would like to work in my own way, but the result should be that my way is a big plus to the company... I have to gain results. That's the way of work for a professional... I do not worry about what other people think about my method.<sup>6</sup>

Although the strategies of individuals vary between companies, and there are differences between discourses and practice, 'belonging to the company' is an essential factor in these company men's stories of the 'self'.

### **Towards the world—in the front line of change**

These managers were proud of having been in the forefront of the development of the Japanese economy during the high-growth economy in the 1960s and de-industrialisation of the Japanese economy in the 1970s onwards. Mr Tanabe, in his fifties, was about to retire and recalled his working life:

My most exciting work experience was that I was always in the middle of change in Japan. One period of change was when I was in Kabutocho (the centre for stock exchange business in Japan). It was the time of the Nixon Shock in 1971... The government could not do anything to stop these investors buying yen, and the yen rose higher and higher every day... I spent such a period of change in head offices for five years... I think I was happy to be involved in such changes in Japan. I have been working for 30 years, and I am now old. I feel Japan has changed a lot.<sup>7</sup>

A younger manager than Mr Tanabe, who started work in the early 1970s, also viewed his career in parallel with the rapid growth of the Japanese economy:

I was successful as a salary man, but I think most of my success was luck. I was lucky to have good bosses, and to be a salary man in a good period. In other words, the Japanese economy was expanding, and the companies in this business have expanded in parallel with the growth of the Japanese economy.<sup>8</sup>

During the period of expansion of the Japanese economy, these bank managers moved towards the capital, and chose careers in Western financial markets. It can be said that they moved towards the 'centre of the world'. Mr Matsuda's life represented such a move. He was born into an agricultural family in a provincial area as a youngest child, and was expected to work outside the family:

My father's intention was that the eldest son should succeed the family line as a natural matter, his daughter would marry into another family and look after her parents-in-law, and the younger son should live independently outside the family. They did not have much money, but they were willing to spend money for our education.<sup>9</sup>

His father recommended him to seek a secure life, but:

I was against such suggestions and wanted to do more challenging work. And working in a foreign country was my longed-for job, and I liked to study English. I had such a simple dream.<sup>10</sup>

For him, going towards the perceived centre of the world was the most challenging and invaluable move he could make. Mr Nagase was also born in a provincial town as the oldest son in his family and went to Tokyo University. After graduation, he began to work in Tokyo, and then worked in New York and London.<sup>11</sup> Both Matsuda's and Nagase's families wanted one of their sons to stay at home, and the other sons to go out and find opportunities. Although these Japanese company men had a strong sense of

membership of a Japanese company and Japanese society, at the same time, they had a strong admiration of the Western world and culture, and thus they were eventually assigned to work abroad.

Their longing to go abroad had been planted at home and at school. Mr Shimazu explained:

My grandfather was a scientist and studied and worked abroad... The private high school I went to was established imitating public schools in England. I spent six years there and the education gave me access to the Western world. The principle of the school was to bring up leaders of Japan to the level of the Western world. The ideal of the school was firstly to harmonise Western and Eastern cultures, secondly, for students to go abroad, full of ambition, and finally for students to study on their own. The school also emphasised language education, so a relatively high number of classmates are now working abroad.<sup>12</sup>

These managers, who are now working abroad were interested in studying English literature and Western history. However, their fathers and teachers at school did not recommend such impractical subjects for study, which they also considered unsuitable for men.<sup>13</sup> When Mr Sano was young, he liked English poetry, but his father did not allow him to study English literature, which his father considered had poor potential for earning income. He followed his father's advice and studied economics at university, but he continued to like Western history and English literature. Mr Yoshino, a young manager, also wanted to study Western history, but was strongly advised against this by the teacher and his father. He had to choose law for his first degree. Mr Ogata said, his only enjoyment in his teenage years was reading Western literature as much as he could in a library in his hometown. Such admiration and curiosity about the West grew from the time of their adolescence.

Although these managers were not able to fulfil their hopes of studying Western culture in their formal education, their interest in the West led them to choose careers abroad. Mr Koike expressed how he wanted to be at the 'centre of the world' more directly:

I did not mention London, but I told the personnel management that I would like to work abroad again, if possible in New York. I had worked in Los Angeles, which is abroad as well, but it is not an international financial market... I said to them that I wanted to work in the atmosphere of the centre, I would like to be involved in business at the centre with the professionals of the centre.<sup>14</sup>

When Mr Yoshida was first asked to work in London as a trainee in a British high-street bank in the late 1960s, he was delighted to have the opportunity to see what Europe was like. He recalled:

I worked from 10 to 4 o'clock, but during weekends I travelled to the continent. At that time, in every aspect, Britain was better than Japan, and I had eagerly wanted to see Europe. I wanted to see outside Japan. Then, I felt I understood Europe.<sup>15</sup>

However, during the post-war period, their task of developing Japanese financial business in the West was hard. Mr Yamano also said that when he had been in the Southern US to open a new branch, he had repeatedly phoned the local bank asking them to lend his bank money. Local staff thought his business attitude was too aggressive. Mr Sano said that he had known he had insisted too strongly on the New Yorkers lending money to his bank, and that some New Yorkers had complained to his Japanese head office. These Japanese bankers in the 1970s had strong attitudes, but knew that Japanese banks did not have good reputations.

When Mr Sano recalled his life, he repeatedly said that he was not a 'corporate soldier', but had always worked in the front line of new business development for his bank. Since the 1970s, he had spent almost all his working life abroad and had always been at the forefront of international business in his bank. In spite of his insistence that he was neither a company man in career terms, nor a corporate soldier, his career showed that he had dedicated his working life to the bank. Mr Shimazu had also devoted his working life to international business. He wanted Japanese banks to be more competitive with Western banks. It was like a mission for the company and for the country. He said, 'I did not think Japanese banks should become like British banks, but I thought we had to bring Japanese banks up to the same level'.<sup>16</sup>

However, the business ventures in which Mr Sano and Mr Shimazu were involved had failed, because the booming financial bubble of the late 1980s had burst (and with it their prospects of becoming members of the board). After working in international business in the US and Europe, the area they had specialised in had not become mainstream company business.

These Japanese bank managers' sense of being in the centre of the world was reminiscent of a catch-phrase of the Meiji intellectual Yukichi Fukuzawa, *datsua-nyūō*, which means 'entering into the Western world, and being freed from Asian countries'. They worked according to the slogan which was fixed in their minds. Born into a country which was a latecomer in the capitalist world, these Japanese financial managers followed the constructed images of their 'ideal country'.

### **Dilemmas of international Japanese businessmen**

As we have seen, Japanese male managers had a strong sense of 'belonging' to their company, and a longing to be at the centre of Japan and the world. However, these managers had subtly different identities from those male

managers who spent their careers mostly in head offices. As we have seen in Chapter 3, there were two different career paths in these Japanese financial companies; one *kokusaiha*, and the other *kokunaiha*. Although all Japanese businessmen I interviewed in London were to some extent *kokusaiha*, there were still differences between those who for many years spent their career abroad, such as managing directors in London branches or young specialists in the new financial business, for example, fund managers, and those who spent their careers mostly in head offices and were now doing administration in London or business with the Japanese in Europe.

However, in spite of these subtle differences, neither type of Japanese male managers had many identity crises in their working lives in London. They had clear ideas about who they were and where they belonged. In particular, the happiest people were *kokunaiha*, and their purpose in staying in London was simply part of their experience as ‘generalists’. Of all the Japanese male managers, these people suffered the least from instability. In contrast to these ‘stable’ managers, senior Japanese managers in London who had spent most of their careers abroad, knew of dangerous situations in their companies. Mr Jinbo expressed the positions of *kokusaiha* in the company as follows:

Do you know the words, ‘*Heike*,<sup>17</sup> *Navy*<sup>18</sup> and *Kokusaiha*’? To sum up, *Kokusaiha*, people who know the outer world will be defeated completely by the ultra-nationalistic group. When you look at ministries, the Ministry of Foreign Affairs has less power. After all, if you do not have a base within Japan, you are weak. If you only think of factors within Japan it is easier, but if you have to do business abroad you have to take account both of factors within Japan and abroad. Therefore, you have to consider an enormous number of possibilities. That is how to do business abroad...

Here, we can see conflicts of transnational Japanese managers who fell between Western values and Japanese values in businesses. Mr Jinbo expressed his contradictory feelings about the two value systems:

There is unhappiness and happiness which was caused by the fact that you have known the other world like Urashima Tarou.<sup>19</sup> I had been seeing the world using only the X-axis, but after I came abroad I began to see the world using the Y-axis as well. There are now more factors to consider when I have to make decisions.<sup>20</sup>

Mr Jinbo thought that doing business abroad gave him more knowledge, and widened his perspective, yet, he predicted his position would be weaker in head office in Japan. He had contradictory views of the centre. The West was ‘the centre’ of the world and was a more sophisticated place, but head office, which was controlled by people who had stayed there without knowing much

about the outside world, was also ‘the centre’. He had progressive ideas so that he understood the values of the Western business world, but this created a dilemma for him. He said:

After all, you are happier if you only know the one, aren't you? Happiness means that you do not know unhappiness. For example, when you come here, you find that Japanese ways have many problems...and doing business abroad makes you see yourself in comparison with others. You can see yourself from all angles. This is a happy situation, but at the same time, it is an unhappy situation to some extent. In other words, we notice the ugly aspects of ourselves as Japanese, and of course we can also know good aspects of ourselves. I think the people who do not know this are to be pitied from my point of view, but they do not know that they are ignorant, so they must be happy people.<sup>21</sup>

Tomoko Hamada has examined the dilemma of being abroad for Japanese managers in manufacturing companies in the US. She found that managers she interviewed thought that technology in Japan was more advanced and that therefore being abroad for many years had great disadvantages. Thus, for these managers, the core of their imagined world was only within Japan.<sup>22</sup> Whereas, in international financial business, Tokyo was never the centre of the world, though *gaiatsu*, i.e. the pressure from the Western bankers to open the market, had been strong. Japanese international financiers thought that the Tokyo market was just a provincial market, though it was huge in terms of turnover. In the imagined world of these financial managers, the core of the world in terms of their business was New York or London, but their head offices were the core in terms of their human networks.

The relationship between a company man and his company was delicate. International financial business was thought necessary for the Japanese economy in order to survive surrounded by changes in the world economy and pressure on the yen and these banks, but people who had dedicated their working lives to this new business found that they had deviated from successful Japanese career paths when their companies eventually became more reluctant to expand their business in Europe in the 1990s. The sense of being at ‘the centre of the world’ which these Japanese financiers had experienced and which had been fostered during the period of high growth, had now become the opposite after the boom finished.

### **Withdrawal into ‘Japanese’ cultural identity**

Although these managers longed to be at the centre in the West, they also had the feeling that they would never have views like those of the West in terms

of business, management, gender relationships and way of life. They tried to keep their own original cultural identity, derived from their own group. Mr Yamano explained:

*The raison d'être* of our business is to help Japanese enterprises, or their subsidiary companies, which have become international... We are here to advise such Japanese companies. I do not know how long I will be here, but I want to do at least one meaningful piece of business showing that we, this bank, have helped some Japanese enterprises to become international. I would like to do such work.<sup>23</sup>

The difficulties they met with in international finance business, especially in the 1990s, made the Japanese withdraw from their intention of putting themselves at the centre in the Western world. They thought that the expansion of the Japanese economy abroad was among Japanese corporations alone with a minimum of integration in the business of other nationalities. Mr Ogata, as we have seen in Chapter 2, explained that 'advantages for Japanese companies are only within Japan, there are no advantages away from Japan'.

Mr Sonoda also explained that finance business was very domestic everywhere. Therefore, only a few Japanese banks would be 'global banks', but the rest of the Japanese banks would concentrate on domestic business.<sup>24</sup> Mr Toda had a more pessimistic view of their international business: 'International business for Japanese banks comprises only 10 to 15 per cent of the whole business. Business with Japanese companies is still much more important for Japanese banks'.

Inside these Japanese banks, Japanese managers withdrew into themselves:

This is a 100 per cent subsidiary company of a Japanese bank... It would be impossible for anyone British to become head of this company, because this is a Japanese company. There is a limitation to promotion, but salary becomes higher without limitation... Probably the British staff have already given up ideas of getting to the top and understand what it means to work for a Japanese company... Yes, it does. There are many who want to be promoted further. However, this is a Japanese company, therefore, outstanding British workers do not come to this company. There are second-class people who want to come to a Japanese company, even though they are graduates from Oxbridge. We also think so... They partly understand this themselves. They only expect their salary to rise.<sup>25</sup>

Not only in the company's policy, but also in their personal interactions, these Japanese managers withdrew from more positive interaction. Mr Yamada, who himself was wondering if he would move to another foreign bank, explained:

In the office I am reserved with the British staff, because I have to assess them. It is me who decides their annual salaries, bonuses, and promotions. So I do not want to socialise with them privately... In my private life, I only know the British in the tennis club to which I belong. I play tennis there every Saturday, and after that we go to a pub. That's all.<sup>26</sup>

This emotional withdrawal can be regarded as one of the reasons for segregation between Japanese and British staff. Japanese bank managers wanted to be at the centre of the world and wanted to join the international business world to learn about another business culture, though there were different levels of willingness between *kokusaiha* and *kokunaiha*. Yet, most Japanese bank managers I interviewed talked about difficulties in adjusting and joining a new business environment moving between cultures. As a result, they established stories of difficulties in understanding between cultures and legitimated the segregated management for the local staff.

### Is the 'Japanese system' changing?

The dilemma of being a *kokusaiha* businessman was an effect of the language of 'the Japanese system', in which business and management were conducted differently from the other world based on different values in the West. They talked of Japan differing from the West and its values. Their physical bodies were abroad, but they were tied to Japan in their minds. However, the recent severe economic recession raised a new question of whether or not the so-called Japanese system was changing. In addition, de-industrialisation in the Japanese economy and pressures for free competition inside Japanese markets were remarkable. For example, Mr Koike had the idea that Japan would change in the future:

What is common sense in Japan may be necessary to form Japanese society, but it is not common sense in the world. Therefore, Japan has to open the gate and to be international. I have changed through my experience of working abroad, and I think there will be an increase of such people because more people go abroad now... Japan is very far behind the West... The social system, school system, and the relations between the Ministry of International Trade and Industry and companies were useful in the process of high growth in Japan, but such a system is now out of date, and there is a need for alternative ideas, and the system may be changing but I think the system is still preventing necessary change. In this sense, the experience of being abroad opens our eyes. I am hoping more young people will go abroad, and know that the old system is out of date, and Japan will change. I have been thinking this recently.<sup>27</sup>

As a *kokusaiha* manager, Mr Koike emphasised progressive views on Japan. However, Ms Akamatsu's interpretation was that changing the system was in order to support the survival of the Japanese economy in international competition:

I think, probably, it is a matter of whether or not a 'perfect' capitalism is good for an individual's happiness. To sum up, the company can survive in a free-market capitalist system. So, from the company's viewpoint, payment based on ability, redundancy of inefficient workers, even efficient workers, such policies are better if the company is to survive. However, for an individual, it doesn't mean being happy. Therefore, I think it would not bring happiness to an individual Japanese if Japan became an American-style capitalist system.... I think the Japanese system is declining, but unevenly according to different industries... Banking business, especially securities business is being globalised. So, this industry is more influenced by foreign cultures.... If I think about myself I would wish the lifetime employment system to last longer, since I am older. Personally it is very sad, but I think lifetime employment will not last in Japan. The company may use a discourse of 'a fair system' in order to make redundancies.<sup>28</sup>

Ms Akamatsu was now in charge of redundancy for local staff in a securities company in London. She admitted that the Japanese banking business could not adhere to old-fashioned business practices, which meant business within corporate groups, guided by the Ministry of Finance and the Ministry of Trading and Industry. Mr Taguchi also pointed out that Japanese banks had had to become more competitive since the 1970s. However, he argued that lifetime employment for Japanese managers was inevitable. As the present key workers, Japanese managers said that the Japanese employment system should be kept, though redundancy might be necessary for survival. However, other managers believed that Japan would continue to have its 'old-fashioned' system. As Mr Jinbo's story about Urashima Tarou demonstrated, these managers believed that Japan had a culturally unique system. When these international businessmen came back to Japan, they had to face different business practices and different values from those they had found in London or New York. Mr Hoshino, who was personally very open-minded, also emphasised that Japan was not changing:

I think Japanese society has not changed at all. The Japanese financial market is closed, and the Ministry of Finance controls business more than it is allowed to by law. It is extremely strict when we have to issue new bonds for companies. Therefore, it is expensive to issue bonds in Japan. I think there must be cultural problems, after all. We

cannot judge values, but there are different criteria in different places. It is difficult to make the judgement that this way is good and that is bad. So, there is more control by the Ministry of Finance than allowed by law, and companies are afraid of the ministry's control, or sometimes the Ministry of Finance works for private companies. These phenomena are not changing. There is already *gaiatsu* (pressures from the West), but I do not think Japan is changing. There must be something at the core in Japan which prevents it from changing.<sup>29</sup>

Mr Hoshino also said that the working culture, in addition to the closed nature of Japanese business, was not changing:

I may be exaggerating. If I was asked if it was not changing at all, I would admit that there are certainly slight changes. I am exaggerating, but Japan is not changing... The reason is, people are doing the same things continuously, so Japan is not changing. There are now many young people, who are called *shinjinrui*, in other words, new human kind, but they are affected by the culture very soon. Young people call us *kaseki* which means fossils and when we older generation are talking, young people wonder what fossils are talking. So, there are slight changes but the changes are few. For example, there are some companies, which have a corporate culture of *messhibōkō* (working for the public at the expense of the private lives of workers). New graduates are affected by this corporate culture soon after they join the companies. Therefore, you can see that the corporate culture is not changing.<sup>30</sup>

Furthermore, Mr Shimazu thought that the Japanese banking system might suit the Japanese economy. He said:

Yet, it is necessary to change this generalist system to compete with the Anglo-American banks. However, I am doubtful if the system here is better than the Japanese system. It is effective if we pay based on ability and fire people who do not have enough ability, but I think it needs to be considered if it is really a good idea to fire 5,000 people if business is collapsing... I do not know how rapidly the trends will change. I think it depends on our cultural belief. It is a matter which we as a whole like. Therefore, I feel that the movement is not in the way that it should be. Japan is a country of islands. If Japan had been located on the Continent, we would have had different behaviour, but it is not so simple. This is my impression from my working experience of more than thirty years... I do not think Japan will change so easily.<sup>31</sup>

Mr Sano also said that finance for short-term interest was not healthy for the economy of a country, and he thought that a national economy should be based on the production of goods, which implied that corporate groups guided by the bureaucrats in Japan should remain.

As we have seen, Japanese male bank managers had worked in parallel with the economic expansion of Japan after the war, especially since the 1970s. Unlike the successful manufacturing industry, international financial business required them to enter Western business networks, which dominated financial business in London, and to associate with well-educated, middle-class local staff. Consequently, these banking managers had two contradictory centres to their imagined worlds. They had admired and longed for the Western world as more civilised and more progressive, but, on the other hand, they continued to claim their own cultural superiority and constructed their identity in order to be competitive with the Western economy and their Western counterparts. These Japanese managers were going backwards and forwards between two centres, but their minds did not go beyond the boundaries of Japanese society even though they were physically abroad.

Mr Hoshino expressed his ideas of the two different worlds as follows:

My wife still says to me that I am happier when I speak to English people than when I speak to Japanese. For when I speak to Japanese, I mainly speak to people related to my company. There are many occasions that I speak to bosses, to subordinates, or to business-related people. I have to be cautious with these people in Japan, but I do not need to worry when I speak to my English friends. So I seem to be happy.<sup>32</sup>

He admitted that he was happier in English culture, but he did not think that Japanese society is changing. These managers' views might be anachronistic if we compare their opinions with those of a wider range of Japanese people. Bank managers had better family backgrounds than average, had been educationally successful, and had worked for the financial centres of large corporate groups in Japan which meant that they had more conventional ideas.

To sum up, Japanese bankers and financiers in London still talked about the so-called Japanese system as an unchanging system. It is difficult to know which comes first: their language of the Japanese system or the unchanging system itself. As a result of business failures in London and the economic recession in Japan, the language of the Japanese system among the élite company men is still popular compared to the language of abolishing the Japanese system. The sense of bitterness and the withdrawal from the centre of the West was a common theme in the stories of Japanese managers.

## **Japanese companies for the British—expansion to the periphery**

Japanese companies were welcomed as employment opportunities for Britain in the 1980s, though before then they had not been well-educated graduates. The reputation for good products and for investment in Europe as well as evaluations of Asian economic success, made British white-collar workers seek jobs with Japanese companies. For a number of well-educated British employees it was the first encounter with non-Europeans in their everyday working lives. Although Britain had expanded throughout the world in the modern period, Japan, which had not been colonised by the West, together with its culture, was a new area they began to understand. In other words, for the first time, Japan became the ‘other’ within Britain from among ‘outsiders’ of British society. Because of this new encounter, British staff in Japanese companies constructed their identity in relation to the Japanese who were the outsiders in the Western world, but were at the same time economically successful. It was a new, learning experience that made them confirm and reconfirm their positions. Encountering Japanese bankers, in turn, provided a vehicle for constructing British identities towards Japanese.

## **Japanese banks as new career pathways**

The deregulation and multinationalisation of the City of London in the 1970s and 1980s resulted in more foreign houses in the City, which gave British white-collar workers who wanted to work in financial companies opportunities for working in the City. In the late 1980s, Japanese banks were a new job opportunity for British people who wanted to work in the City.

In contrast to their Japanese counterparts, these British managers did not have a strong sense of belonging to the company. Most of the British staff, especially the managerial class, had moved around companies seeking better salaries, securer jobs and promotion. I have found several patterns informing their choice of Japanese firms. For some British staff, these Japanese firms provided a pathway to social advancement in British society, in other words, the means for climbing up the ladder in British society. For example, Mr Hunt, a personnel manager, told of his childhood:

My father was a miner, and had traditional views. My mother, whose parents had been stockbrokers in London, had a more broad outlook on life... When I was old enough to leave school, he wanted me to leave school and take a job in mining. And my mother was very much against that, and wanted me to go further and develop, and have more education and more opportunities... He said it was good to be employed in a long-term, stable working sector. But my mother took

a different opinion. Well, she said, oh, mining was okay, but there were other opportunities, there were other choices, there were different things to do, and further education would provide the opportunity of having a greater choice, and choosing something different...<sup>33</sup>

Mr Hunt himself did not want to be a miner, although his father did not change his mind:

I knew my father wanted me to go down the mines, and I knew I didn't want to go down the mines. So the way of getting out of that was to study hard, get the qualifications, and find a different path... I think being a miner is an awful job. It's not a very pleasant job. I used to see my father coming home very late at night, going to work very early in the morning. Not a very good standard of living. Not a very open way of life.<sup>34</sup>

He chose subjects not because he liked them, but because he could gain better marks. He chose a university far away from home, and only went home once a year after he became a university student. After graduation, he gained a personnel manager's post in a local council, and he gained a qualification from the Institute of Personnel Managers. He had then worked in the public sector for more than ten years and tried to find jobs in private companies. Then he found a job in a Japanese company in a magazine for personnel managers:

When I told my superiors at the County Council, they were surprised that I was able to make the move, and I suspect, also, perhaps a little bit jealous...my Head of Department had been...ex-public school, ex-very good public school, ex-Cambridge, found himself in the public sector, and I think he would have preferred to work in the City, because he felt he had a better background, a more suitable background for the City, than I had. He didn't actually say anything as such, but he did say, 'Well, I think you've done very well to find that job in the City, and I shall just think of you walking over London Bridge, into the office, from time to time'. But it was obvious that, you know, he would have quite liked the same opportunity.<sup>35</sup>

The envy of his boss who graduated from Cambridge confirmed his success to him. He rose in society using the Japanese company. Mr Gibson, a clerk, also found working for the Japanese was a good opportunity:

My sister worked for a high-street bank, and I remember now that she told me that I should work for an international bank, because they paid more money. I can now remember that... So I wrote to this

big international bank... I didn't give it a second thought. I had no preconceived ideas. So that is maybe not the answer you were looking for, but I never even thought about it... This Japanese bank was the first to say yes. They simply wrote straight back, and said, 'Come for an interview tomorrow'. And I went for an interview. They said, 'You have got the job', and I said, 'I'll take it'.<sup>36</sup>

Since that time he had become an office worker, which gave him satisfaction:

My father was a dock labourer, he worked on the docks. He had a very poor education. He had no aspiration to do anything. We lived in a very small house and we were very, very poor, as children. And so the last place I expected to work was in the City of London. And I went to a very rough school, a very poor school, with a very bad academic record, and I had no intentions, at all, of working in any office job. My parents think I am great, because of the humble upbringing, they think I've done very well. Especially my father... Because I work in the City, and have an office job, and I don't get my hands dirty.<sup>37</sup>

These Japanese companies were green fields for British jobseekers and the companies seemed to provide secure jobs for managers who had lost their previous jobs. Mr Rogers, a personnel manager, had lost his job in a construction company in the North when he was in his twenties in the 1970s. Since then, he had had to earn a living abroad, on the continent, in the Middle East, in Japan, and in the USA. In the late 1980s, he came back to Britain:

I thought I must find a job somewhere in London. So, I got on the train, came through Colchester, down to Liverpool Street, I had nowhere to go, honestly speaking, I hadn't been in England for many years. In the tube, I saw the advertisement from a Japanese recruitment agency. I thought, you know, I'd worked a long time with the Japanese. I just went in there. I didn't even think that this was the financial sector. Anyway, the agency was looking for somebody for this company, who was familiar with working with Japanese, who was old enough to control their British staff. Sometimes it is difficult for the Japanese management to control young British staff. So, they needed someone to do that. I needed money, and I needed to eat. So, I said, I'll do it.<sup>38</sup>

Mr Rogers emphasised that employment in this country, especially in the manufacturing industry in Britain, has been extremely insecure, and this was the reason why he was delighted to join the Japanese company. Not only Mr Rogers but also other male managers had come to Japanese companies seeking job security. Such people had worked for foreign banks or foreign companies

before coming to these Japanese banks. For example, Mr Harding, a senior manager, came to the Japanese bank after working for an Arab company and having his own unsuccessful business. The idea of job security also influenced more senior managers in their decision to come to Japanese banks. Mr Green, a senior manager, first joined an American bank, and then a French bank, but was fired for accusing his boss of dishonest behaviour. He 'had a cheque in my bank from being laid off which I knew would only last a few months. I came back to look for a job in the City and it was very difficult to begin with but then I was offered three jobs'. The reason he chose the Japanese bank was because 'it was a green-field site', and job security:

What they wanted me to do was to start something new. So I was not coming into something established but starting from square one and building. I came to this bank and for the first time I stopped trying to make as much money as possible and I thought that I have a family and have to now build my career. I have to stop 'just playing'. So I chose the job that would offer me the best career opportunity, the best challenge and that was this bank... We discussed it at considerable length... Coming to this Japanese bank, my wife was 100 per cent behind me. Her primary requirement was for security. So I came to this bank with her full support.<sup>39</sup>

Mr Yates, a specialist manager, came to the Japanese bank after he was made redundant:

Well, the situation at the American bank had been horrible, for a year. I had been made redundant and reinstated on the same day. We didn't know what the future held. We'd operated very well, and they just shut down the department because they didn't want to do it any more.... And so I really didn't have a lot of trust in or respect for the bank any more. And the Japanese bank, I thought, might offer me a bit of job security for some time, because the Japanese are not renowned for firing people for no apparent reason, which Americans, I'm afraid, can do at times. That was one of the reasons that I took the job, because I thought that I might be safe in a Japanese bank, because I could see that there was going to be a time of hardship within the banking industry, within the City of London.<sup>40</sup>

We can clearly see how the myth of job security in Japanese business culture influenced these decisions of British male managers.

Japanese banks especially gave opportunities for middle-aged female managers who gained qualifications after they had been working. Ms Jones had been a housewife, and gained the qualification of personnel manager when she was 36 years old. However, she could not find a job until she was

40. She eventually joined the personnel management department of a company, but her position was of very low status. Then she 'went into a small organisation, where I was starting up the personnel department, and so I was able to bring all my own ideas to it, you know'. However, after that, because of redundancy, she moved again to the Japanese securities house:

I've always been very interested in other cultures. It was exciting, no ... I wasn't worried about it... I knew that Japanese companies, generally, were very successful, because, especially at that time, their success, particularly in manufacturing, was well known. And so I knew that I was likely to be going into a successful company, and that was my major concern, you know, having left a company that hadn't been successful.<sup>41</sup>

Working for a Japanese company was an opportunity to give her better opportunities and job security as well. Another female personnel manager also thought this was an opportunity in a green-field site:

It was worth it, because it was an opportunity. It was a good opportunity to create a personnel department from scratch, and you don't often get that opportunity. So I took the risk! [laughs]<sup>42</sup>

Opportunities were given not only to middle-aged managers, but also to young managers who were doing new financial business and were interested in success in the City. Young graduates, so-called 'yuppies' in the 1980s, were interested more and more in getting into the City. Mr Harrison, a fund manager, explained:

Why did I choose to work in the City? My sister had, before she was married, she had a boyfriend who was working in the City, and I saw what he was doing, and, you know, his salary and everything, that sounded quite exciting. And also, I'd read things in magazines about people in the City, and the jobs they do, and lifestyles, and, and I came across other people as well. So that's really what I targeted, just because it seemed to be an exciting place to work.<sup>43</sup>

Ms Nicholson, a young specialist manager, worked for a high-street bank. In spite of her education in classics at Oxford, she was one of many trainees there:

Well, the people that controlled the training, they had so many graduates, because they took 90 every year, that they were just numbers. Even if they lost good people, bad people, they didn't mind, because they just calculated, 'Right, every year, we will lose 25 per cent'. Everything was done on numbers.

She felt that she would not achieve the career she wanted by undertaking general training in a high-street bank:

In a recruitment magazine, they advertised the job, and it was just a job that I was interested in. It didn't say it was a Japanese bank, I didn't know who the bank was, and the job was exactly what I wanted. So I went to a recruitment consultant that was advertising it. And he said to me, 'Well, this is the job. You fit the job very well. And the organisation is this Japanese bank'. So I thought, 'Well, I don't know. I've never heard of them!' This small, little bank. So he told me that he had dealt a lot with the bank, and he told me quite a lot about the organisation, and at the time, this bank was recruiting a lot of new people, expanding fast, and it, it seemed quite exciting. And I was quite happy to try a Japanese bank, because, I mean, I'm always interested to try new things.<sup>44</sup>

Ms Morris also came to her Japanese company from another high-street bank, where she found the job was boring. She said, 'I felt I was a bit more special. I wanted to do something a bit more unique'. She was also unhappy with the training she had received in the bank, which had asked her to move around different sections every six months. She said, 'I wasn't offering anything. That's why I wanted to leave':

And I was offered an opportunity to come back into aviation, which I enjoyed. The level of responsibility was very different then. Much more autonomous. It's a small team, there's only three of us compared to 40, so I'm completely exposed to everything. And I just felt it was a very good place to move to.<sup>45</sup>

These young managers who were well educated, and had had secure jobs in the City, wanted better opportunities which would satisfy their ambitions, and the Japanese banks were there when they wanted to specialise in the new financial business in the late 1980s.

In contrast to those managers who sought job security, or green fields in Japanese companies, more senior managers thought it was a drawback to come to Japanese banks. Mr McLead recalled:

I was approached by an agent. An agent approached me, to say, would I be interested in joining this bank... I initially had some reservations. But I'd had lots of interviews. I had five or six interviews, and, I talked to a lot of people who were, who knew more about it than I did. And then I made my mind up quite quickly. Initially, when I was first approached, I'd never thought of joining a Japanese bank. So, initially, maybe...<sup>46</sup>

Mr Miller, who had been a lawyer for Japanese companies in London, also hesitated to come to the Japanese bank he is now working for:

They asked me to come... It took me three months to decide to come ... It's a different lifestyle... I had to focus my attention purely on this bank. That took me some time to think through. I had no problems with the Japanese, because I had worked with the Japanese for maybe 20 years. Most of the big Japanese companies I've worked for, in the sense I advised them on employment things like this. So, I was not concerned with it being Japanese. I had a number of Japanese friends. So, it was not a concern to me. When they asked me to join, it was not a question of whether I should join a Japanese company or not, but it was more a question of whether I change the type of work I did. That was the big question. I decided that I would. That was a new challenge. So I thought I would do that. So, I agreed to come.<sup>47</sup>

In spite of their initial hesitations, these senior managers thought they could find more opportunities to widen their abilities in these Japanese banks.

The motivation for British staff in taking up positions with Japanese banks differed according to class, gender and age. Although there were various attitudes from delight to hesitation in coming to Japanese companies, all these people thought 'going Japanese' gave them good opportunities; for some it was for social advancement and rescuing themselves from insecure job situations in Britain, and for more senior managers, it was a great opportunity to fulfil their ambitions. These people did not show their sense of belonging to the core of British society. Some, who had never thought they would work for prestigious British houses, thought that the Japanese firms would give them great opportunities. Those who had already been satisfied with their previous jobs thought they would have many more possibilities in these Japanese companies. The Japanese banks in the 1970s and 1980s, especially in the late 1980s were a 'new frontier of the City'.

### **Going international—expansion to the frontier**

In comparison to the inner conflicts expressed by Japanese managers about being 'international', these British staff saw 'going international' as positive, and a new challenge. For them, working for foreign companies was an expression of 'being international', which did not imply contradictions in terms of identity. The British and the Japanese took different perspectives on the implications of 'international'.

One reason for this difference might be the longer history of 'being international' in Britain, since the country gained world hegemony earlier in the modern world. For Mr Chambers, being international has been his family tradition:

My family background goes back two or three hundred years. My family were Quakers, and Quakers were very much involved in trade from the North of England. This tradition continued right up to my father. He was brought up in South Africa. His father was in business. Their family were interested in diamond mines and so forth in South Africa. And this was all part of the Quaker tradition. They had been forced into trade... The Quaker trade tradition continued until my father died. His business was in India until after the war.<sup>48</sup>

Because of this background of Quaker family business, he said that his father held an international view:

Two features which remain: my father did not believe in narrow Empire's, or this country's views. It was 1962 I think when he said that England had to be a part of Europe. Having been in India, he was very international. It was a very strong influence on me at a very early stage.<sup>49</sup>

For some managers, being international meant that their fathers were working for the British multinational companies after the war. A young officer, Mary's father was working in a British multinational company:

And so through his job, we used to travel around the world, and we lived in the Falkland Islands, the Yemen, Middle East, Bermuda... You know, we always travelled when we were little, you get used to it, and you want to travel around now you're older... I think it makes it easier to understand different cultures and different races.<sup>50</sup>

Because of her experience of being abroad in her childhood, she said, she was confident with understanding other cultures. Mr McLead's father was working for a British multinational company as well.<sup>51</sup> Like his father, he chose an international bank for his first job. He said, 'The bank gave me opportunities to work abroad, and I wanted to work abroad'.<sup>52</sup>

Even staying in Japan made some feel they could understand other cultures. When Linda, who worked as an assistant, had to find a job, she thought her stay in Japan as an English teacher for a year would help her understanding of Japanese culture:

I thought, 'Well, because I'd enjoyed being in Japan, or whatever, maybe I should think about working for a Japanese company'. So, because I was just...and also, because it was some, some kind of, because I'd been in Japan, and because I spoke a little bit of Japanese, and had some knowledge of Japanese culture, I thought it would be,

I thought it would make it easier to get a job. So then I went to some agencies, which specialise in Japanese companies in the City...<sup>53</sup>

Other British staff justified their decision to work in a Japanese company by their rather vague opinions that they could understand another culture. Mr Harrison, a young specialist manager, was offered a job in a Japanese securities company:

I think, at that time, I just found the Japanese banks and Japanese financial institutions, more interesting. At that time, I mean, I had no knowledge about Japan, or no connection with Japan. I mean, my parents were living in Bangkok in Thailand, so I had some sort of vague, you know, vague idea...it just seemed to be interesting and, and unusual, and exciting, and it's nice too, it's nice for me to work amongst, not necessarily Japanese people, but people from the Far East, if you know what I mean, rather than work in a British firm, where I might be surrounded by other British people... I wanted to have a sort of Far East influence about my work, I think.<sup>54</sup>

For these people, their sense of 'going international' was based on family tradition, and their parents' experiences, or they themselves had travelled around. Japanese banks were inside the City, but for these people the Japanese were new 'outsiders', recent arrivals. In addition, if we look at the history of the City, it has a tradition of accepting foreign banks. The City has been a bridge for people, providing an outward-looking pathway. Thus Mr Chambers:

The City is no longer the British or English essence at all. One or two houses, but the majority of the people, particularly senior people in the City who work either for foreign companies, or non-English companies—the English themselves—have non-English origin... And the number of purely English banks are few. Even English houses, what about Baring, what about Benson, what about Warburg, most of them were not English by origin. They were mostly continental Jewish houses. Rothschild and Warburg were also classically continental Jewish bankers who came to the City. And so, the City is a very un-English place. That's part of the reason for its great success. It's very much international. If you look for a job in the City, I think you will be much more appreciated according to your ability and your general intellectual level, your formal education and your background.<sup>55</sup>

For most of them, coming to the Japanese companies is a challenge that they encounter without knowing much about Japanese working culture and management structures in companies, as Mr Hunt thought:

It was interesting. I thought it was a challenge. Something, something unknown, something interesting, and, therefore, a challenge. I mean, moving from the public sector to the private sector was a challenge anyway, and the fact that it was Japanese, made it an even more attractive challenge.<sup>56</sup>

Yet, Mr Hunt's knowledge of Japan is 'Only, of schoolboy history. Nothing, no detail, really'. He thought 'it was a good opportunity to join something that was, for me, new,...because it was brand new, a green-field site, basically'.<sup>57</sup> Japanese companies were the new frontier for these people. Going international was, for these local staff, seen as expanding their own British identity, without anticipation of conflicts.

Many of them had had experience of working for other foreign banks such as American, or European or Arabian companies before they came to Japanese companies. Therefore, they did not feel afraid of coming to companies from other cultures. Or they came to Japanese companies because of the myth of job security, like Mr Rogers. Even some senior managers, who had had contact with Japanese companies through their previous jobs, had not predicted the difficulties they were to encounter. For these people, Japanese companies were merely another new opportunity, another new frontier inside their territory of cultural hegemony; they thought they could find something there.

### **Disappointment and withdrawal into 'the universal world'**

Because of the huge bad debts which ensued from the economic bubble bursting, these Japanese companies began to reduce their numbers of local staff in the 1990s. Local staff began to realise that the myth of job security in Japanese companies did not apply to them. Mr Rogers explained this:

Five years ago, yes, lots believed this myth. But not so much now. And one of the reasons is the recession of the last two or three years. So, when Japanese companies have dismissed their own staff, myths pretty well get around; people begin to understand. There was a time that everybody trusted Japanese employers in the City, that doesn't happen any more....

The securities company he was working for had had huge debts and the company had already lost autonomy and was controlled by the main bank which was planning to merge the company. His position was already nominal and his responsibility was taken by the person sent from the main bank. He expressed his deep disappointment with his working life:

I was too old to believe anything, because I've been around lots of countries and lots of places, in a lot of companies, lots of employers.

And I realised, in fact, a long time ago that cash is the king and companies are basically heartless entities. Companies actually don't have a heart. And if things are going badly, the companies always take the easy way, which is to cut costs by losing staff. And, you know, I had no grand ideas. I came to this industry because I simply needed money at that time. And it has been reasonably economically good for me over this period. And I have a quite good job. I feel quite boring. I only came in, because that time I needed money, I always knew that one day they would leave me. *Sayonara Peter san* (Goodbye, Peter), and it is in fact true. This company now has major financial difficulties. It really has much financial support from a Japanese bank. And we now owe them so much money. They control us. And inevitably one day, this office will no longer exist. And we will become part of the bank. And when we become part of the bank, they will not need me, because they already have somebody to do my job.<sup>58</sup>

We can see his deep disappointment with the British manufacturing industry and Japanese firms.

When they faced different cultural values and barriers for promotion, local staff felt confused. Why do they speak such poor English? Why do they keep themselves to themselves? Their main questions were: should I still stay here? Will I get the opportunity for promotion to top manager, or to head office? Am I trusted by the bosses? Why do Japanese bosses exclude me from final decision-making? Especially they wonder why Japanese don't understand Western standards. Mr Chambers reflected:

And I am always struck, unfortunately I have to say, when I talked to Japanese senior businessmen, about how incapable they are of getting involved in discussion on a general level. If you ask them general questions about economy and politics, and so forth, very rarely do you get an interesting answer. And I think it is partly that they are not trained to think speculatively, they are not trained to give a sort of answer about general questions. They do specifics. And I found always through my time in Japan, with one or two notable exceptions you do not get involved in general discussions in Japan in the way you would naturally here. I am not on about the meaning of life itself, but the broad philosophic, political questions. And that's a very real cultural difference...

Mr Chambers's assumption was pessimistic:

I think that must be from a totally different way of questioning. It is not right or wrong, good or bad, just different. That's all true again in China, Korea and not just in Japan. I think it's serious to the

extent we are looking at Japan playing a much bigger role in the world, especially with economic power. It's going to have to happen. It's going to have to be changed. Japanese people want to get help to learn to be international organisations...

He suggested that the Japanese should urgently change their ways of thinking:

We are saying to Japanese people you are going to have to adapt to Western attitudes and thinking, and we are not going to adopt Eastern ways of thinking. It's up to you, but the Japanese, Chinese, Koreans must still tune to our wavelengths. Effectively, the West, in the largest sense, is saying to Japan, there is only one wavelength. That's the Western wavelength. You must tune into that. We are not going to tune into the Oriental wavelength. And therefore, we are saying to people to a large extent they must take the 'Western form' which we use in debates.<sup>59</sup>

In the end he resigned from the Japanese company and went back to a British organisation. He expressed his deep disappointment as follows:

I would not deny that I have found that to work for Japanese banks is much more frustrating than I thought. I think I am making much less contribution than I could or I would like to. I would like to see myself making a real contribution and being trusted. I am *gaijin* (an outsider), somebody who is not much part of this bank composed of Japanese staff.<sup>60</sup>

The Japanese bank lost this senior manager who had a profound knowledge of business in the City.

Japanese companies also lost young hopeful managers who could be core staff for the business in the City. Mr Harrison eventually found a job in a British house. He talked about how he had resigned from the Japanese company:

I was not particularly happy, and, you know, salary and bonuses were very flat, and morale was starting to come down because, even though it was a Japanese company, there were some redundancies being made, and people just being told to stop working and to leave. And so all that sort of feeling made me think I must do something.<sup>61</sup>

Yet, before resigning he checked his boss's expectations of him, only to find that he was not being encouraged to stay in the company any longer:

Well, it was not really, not so much like that, because I knew my... after four years, I knew people in the firm very well, and we had

discussed, maybe, for a few months, you know, what I should do, whether moving around the firm, and the idea came up that I would go away and study on a course, and they said that, 'If you want to do that, we will give you encouragement and, you know, we will not ask you to stop working now, but we will give you encouragement to go away, to go away and do that'. So I, you know, I did not come in and say, 'Okay. I'm sorry, I want to resign'.<sup>62</sup>

Because of the serious recession within Japan, Japanese securities companies began to make local staff redundant. Mr Harrison was deeply disappointed:

Japanese companies never sack people, never make people redundant, so that the whole system was breaking down a little bit, in London, and so, even though, yes, they probably felt inside, you know, they knew me well, and etc., etc., but they probably wanted me to stay, yes. They were, you know, obviously sorry to see me go. But, as I say, I was not moving to another company, I was going, going to a course. I never, never intended, or never said to them, 'I want to move to another company', so it was a different situation, really...very, very sad and shocked, and disappointed.<sup>63</sup>

We can see how much Mr Harrison's disappointment arose from discovering that his illusion that he was a member of the core group was false. Moreover, his undoubted illusion that he was a lifetime employee of the company also evaporated. Thus, he left the company, and the Japanese company lost another young graduate, who could have contributed to developing business in the City.

Ms Morris, a young specialist manager, was also thinking of moving:

A little bit, I have a regret now, is the way that this new job has panned out, has developed, because for the first two years, it was very good, I learnt a lot very quickly, and we were very busy, and we had a very high profile, doing a lot of new deals. And it suddenly went quiet, and it sort of died...because of the recession in Japan. My education, my learning process, was very steep for two years, I learnt a lot very quickly, and it's just like that, at the moment. So, at the moment, I'd like to be looking to move onto something different. So I'm ready for a new change, a new challenge.<sup>64</sup>

Other senior managers were also wondering if they should give up their jobs in Japanese companies. Mr Milligan was extremely anxious about whether he was trusted by his Japanese bosses. After the recession, Japanese head offices, in general, began to distrust local staff more than previously. Mr Milligan's responsibility for European business was now shared with a new

Japanese manager delegated from Japan. He said that he had been happy to hear that his Japanese colleagues still remembered him after they had gone back to Tokyo, but that he was thinking of leaving because of the glass ceiling blocking his promotion:

I think the...one of the things that I worry about, and one of the things...examples of difference in culture that is not being dealt with terribly well yet is, if you're Japanese in a Japanese business, you have this relative certainty of a long career.<sup>65</sup>

He understood that the Japanese management system would not apply to local staff. He said, 'that system works if you've got black hair and brown eyes ... But it doesn't work if you've got blond hair and blue eyes... And, and that's because, relatively speaking, the Japanese, certainly the Japanese banks, not so much Japanese industry, but the Japanese banks are still quite young in... in being international businesses':

I mean, I speak better English than you, so when I'm talking to ICI, ICI will understand me better. So that's, that's quite logical. And also, it's quite logical that ICI will see, 'Ah, good. This bank is promoting local employment'. So that's, that's good, healthy, and logical. But we haven't yet made the next step, which is, 'What happens to Kenneth Milligan in five years time?' 'What happens to the guys who report to me, in five years time?' Then, I have got a Japanese guy working in my group. In five years time, he'll be...maybe in Tokyo, maybe in New York, maybe in Osaka, maybe in Paris. There's a system and a structure to deal with that. And it's, it's very organised, actually, extremely organised. There is not yet a system and a structure to deal with local staff.<sup>66</sup>

There were some local staff who have tried to come to terms with Japanese cultural ideas. Mr Green said that the Japanese culture was better than that of American or other European banks, and that he himself as Scottish could adjust to the hierarchical Japanese working culture:

The culture suits me because the structure reminds me of being at school and it is familiar to me. There is a hierarchy, seniority and everything else. I feel I have much more freedom to do my job without question. Because the underlying assumption from the Japanese management point of view is 'you know what you are doing so do it' whereas in an American Bank or Swiss Bank it is 'you know what you are doing but we don't trust you'. So you are always restrained. In this bank, you don't appear to be restrained. You are of course restrained within certain parameters but the parameters, are set much wider.<sup>67</sup>

Although Mr Green was struggling to find a compromise he still considered, 'Until they start to have senior management who are not Japanese, and start to lose their Japanese identity in order to become international, they will always have a problem':

I think that the problem that they had is their different business philosophy and their culture. It is so far from that of the Western world which they are comparing with. The basis of what I am saying is that the Western way of developing international banking is correct.<sup>68</sup>

In spite of this strong belief, he was desperate to reconcile himself to Japanese corporate culture:

The Japanese way is keeping the Japanese identity. That in a way gives them great strength of cultural integrity within the organisation. As long as other people from other cultures can fit in with that cultural identity, it works all right. And that is what we seem to have just now. What we need within the bank now is the next step. Whether the international bank with headquarters in Japan becomes like an international bank with headquarters in America such as Citibank, or it stays a Japanese bank with a Japanese culture—developing the international market using its strengths. I hope the latter. I don't actually believe that the Western way is the way international banking should develop. In the Western world, it is right. I think that much of the Japanese philosophy of relationships is long term, of honour and of not getting maximum profit for every deal. The Japanese bank sees itself as a citizen within a community in which it works. It is not trying always just to take everything. It wants to give back to the community as well. It wants to behave in an honourable manner. It wants to be respected as an institution in its own right as opposed to just being respected for being popular. A Japanese bank wants to have good profits but also wants to be respected by its customers. American banks want to make maximum profits this year, but Japanese banks want to ensure that it has good profit for the next ten years. I think that is much better. It allows the establishment of a rapport with customers and a trust with customers that is much more lasting. It allows the banks to develop more slowly, however, than the American way or the European way. It is more slow, more considerate, more conservative but when it moves, it moves with a great force, having thought about it for very long, very hard and with dedicated resources, it does it.<sup>69</sup>

Mr Green tries to internalise the Japanese corporate cultures, but he still hopes to change the corporate culture:

## JAPANESE BANKERS IN THE CITY OF LONDON

I work for about 12 hours a day, from 9 a.m. to 8 p.m. I am really tired always and my colleagues are the same. We are not paid very well. But again we are trying to change—myself and other colleagues are trying to change the culture. In the Japanese culture it is ‘Confucius’-based.<sup>70</sup>

Mr Miller is also trying to find compromise in his work for the Japanese. First, he told how he had found working practices to be different from what he had understood them to be:

I knew the bank, because I had advised the bank. I had an idea of what it was. So, I used to come in to the bank and meet people. I had an idea. When I actually worked in the bank, I realised that my idea was not right. That was the big change for me. We should change the staff rule book we have which I wrote before I came to the bank. When I came to this bank, I saw the rule book in the real workplace. I realised that changes had to be made. Because it wasn’t the same structure that I thought it was when I was outside. That was the biggest change.<sup>71</sup>

He mentioned difficulties as a senior manager in working with two differing working practices, such as slow decision-making among the Japanese and quick decision-making among the British:

Um. I mean there are times I enjoy the slower way, but there are also times that I realised particularly for my legal background, you have to move quickly. Because you will miss the advantage, or you are disadvantaged by virtue of somebody else taking what you would have taken yourself if you moved quickly. So, you know, I am in the middle, I mean I am in the middle because it’s easier for me having dealt slowly with clients some of them are Japanese, and quickly with some who are not Japanese. So, I’ve actually worked well in both camps. So, I can see the advantages and disadvantages. And I feel able to make a judgement myself whether I should go quickly or slowly. But other people feel they should always go quickly, or always go slowly. It is very difficult to try to balance. It is very, very difficult to do.<sup>72</sup>

He did not want to talk about his future aspirations,<sup>73</sup> but he mentioned that he was contributing to the struggle to find the middle way in the company, so I gained the impression that he would continue to work in the bank:

My honest view is that I think the people in this branch, both Japanese-delegated staff and non-Japanese staff have worked very well together,

and have produced a joint effort to make a change to the hybrid culture I was telling you about. So, people have made a determined effort to work together, to make changes to support the branch and to get the job done. So, my feeling is that myself and other colleagues, both Japanese and non-Japanese have contributed to that.<sup>74</sup>

Mr McLead even believed that at some time there would be British top managers in Japanese banks in London:

Well, I enjoy, increasingly, I enjoy the management side. I enjoy managing people, and motivating people, and organising people. That's what I really enjoy, and so I'd like to do that. And obviously the, the top job in this organisation, is general manager. That's his job, to manage people. So that's what I'd like to do, management.

*Are there any British general managers?*<sup>75</sup>

Not a general manager, no. There are joint general managers, but not a general manager, no...That's what I'd like to be, yes.<sup>76</sup>

His view can be contrasted with the Japanese managers' views that there would never be British top managers in Japanese overseas branches, especially in financial companies, since the control from head offices was absolute.

Those managers, who believed that Japanese companies could be changed, chose and liked to work in the City. As Mr Hunt said:

It's still very enjoyable, it's a very unique... Well, because it's, you know, the Square Mile, and the status, and the internationalism of three hundred and whatever banks. It's a very special environment. It's still very, very enjoyable. I was, I think I was very fortunate, because without banking experience, and without business qualifications, and with public sector experience...they were all disadvantages in terms of getting a job like this. I think for someone with that sort of background that I have, trying to come in now, would be very difficult, if not impossible, to actually make that move, from public to private.

*Do you like the City?*

Yes, I do. It can be improved in a number of ways, I think. But, generally, yes, because I like the accent on performance and efficiency, and achievement.<sup>77</sup>

For Mr Hunt, the Japanese bank brought him luck. Other clerical workers did not say that they wanted to resign from Japanese banks. Mr Gibson, who has been a double checker for more than ten years, also said:

I think that my salary is good enough, I would like to travel round the world, whenever I want to, I'd really like to do that... I have a very good pension as well. And most people, most of my friends can't believe that I went to work for the same company for so long, and they think it's really boring. But at least my salary is okay, so I don't mind.<sup>78</sup>

Female personnel managers also showed their satisfaction with working for Japanese banks:

I'm very happy here, and I hope I will be allowed to stay here for some years to come, because I think that this bank has a very big future in London, and we may merge with, maybe merge with the bank, which I think will be very exciting. So I would be very happy to stay here, for the moment. Maybe when I have been here ten years, I will want to change, and then I would very much like to use the knowledge that I have gained here, to help other companies, on a consultancy basis. If they have problems, management problems, or some other human resource problems, to be able to go in and look. I think working, particularly in a company like this, where we have had these cultural difficulties, they have given me the ability to look at the problems within the company, and to try to find a solution. And I'm hoping to be able to use that in other companies later on.<sup>79</sup>

Satisfaction and dissatisfaction with Japanese companies depended on the position of local staff in British society. Those who could go back to British organisations left Japanese companies, while clerks remained in Japanese companies. Middle managers, on the other hand, were hoping that Japanese banks would change their corporate culture to a Western style.

Mary, a young British officer, explained the hostility of local managers to the Japanese:

I mean, I'm sure there's a certain amount of racism amongst the Western staff here, against the Japanese, you know, if someone's upset someone... Not, oh, nothing, nothing really severe, just the usual staff like, you know, you get some people who just don't like working here, but don't have the opportunity to get anywhere else... But then you ask yourself, why are they here? Why do they work for a foreign bank, if they feel like that?<sup>80</sup>

There were differences of attitude to the Japanese among the British staff, but all held the view that Japan had to change, or was now changing, and these views were in contrast to the Japanese view that Japan was not changing and that it remained different. Mr Green expressed his progressive views:

I think there are problems in management within the Japanese system, but it is undoubtedly changing. With the recession in Japan, and companies changing, various things are happening. People really need to perform. Before, they had a job for life no matter what they did. Now there is a chance that they will lose their jobs or there will always be a certain age group promoted to a certain level and getting a certain salary. However, if the company is shrinking or not growing, there are fewer positions. So now, even after reaching a certain age, they may not get a higher position because the number of positions are less if the company is not growing. So they will become disillusioned, they do not know what to do and become very scared.<sup>81</sup>

A City figure also talked more generally about the historical gaps between Britain and Japan:

The way Japanese society operates may be more similar to Britain 50 or 60 years ago than it is now. It might have been very similar 50 or 60 years ago. And so sometimes I think that the timing may be different, more different than the fundamental ideas. But if you compared Britain of 50 years ago with Japan now, and the sort of changes that are happening in Japan now. And then they may be very similar to Britain maybe 30 or 40 years ago. So, I think that's more a timing difference. It's not a fundamental difference in the way people think ... On the business side, there are quite a lot of similarities between the British and Japanese.<sup>82</sup>

In comparing the characteristics of the two collective identities, i.e. those of the British and the Japanese, it could be said that the British have one centre to their imaginary world and tend to think that Japan should have a course of convergence, whereas the Japanese have two contradictory centres: one in the West, and the other in Japan.

### **Fragmentation of identities according to gender and class consciousness**

As the previous section demonstrates, almost all the British held a progressive view of the world, whereas the Japanese had the idea of a rigidly structured world emanating from multiple cores. However, although we found national characteristics in the collective identity of these people, there were great diversities within each national group according to an individual's class and gender within their own culture. As a result, there emerged more complex relationships between different groups; between men and women, Japanese and British, senior managers and clerks, and different generations. In other

words, there is diversification within ‘us’. Although people talked about ‘us’ and ‘them’, categorisation of the groups was not always the same.

First of all, the cross-cultural identities among British staff were diversified according to status in the company. For a trade unionist clerk like Mr Gibson, the Japanese banks were, of course, seen as exploiters in the present capitalist world. When he was involved in trade union activity, he was assigned to a very busy position, and then his promotion completely stopped. However, his hatred was directed towards his British boss, not the Japanese managers. He did not include senior British staff in his category of ‘us’.

The structure of Mr Rogers’s imagined world is complicated. He was waiting to be made redundant from a securities house, which was going to be taken over by a Japanese bank. He criticised finance business in the City which is not based on production of goods:

I’ll soon return to engineering, because I think this company is quite depressing. In this industry, literally all we are doing is passing money around in big circles. And taking a profit like an agent each time. The size of this was demonstrated by Lloyd’s who lost two and half million, it just seemed to me sad. Too many people in this country try to make money out of money. You know... You can lose a fortune. In this industry, you can make enormous salaries, you see. And who are benefiting? Lots of young graduates are attracted by the City and they want to join in the money grabbing. They want to join this industry. They can make fortunes... Yes, it is important, you know, in a service industry, he who controls the cash is always the king. And on the other hand, it’s not put to useful use. You can’t create an infrastructure, an industrial infrastructure which maintains us through the bad time in the future. In that sense we are very weak here... Although we need our financial service industry, that industry cannot maintain or help the rest of the country.<sup>83</sup>

Mr Rogers linked his left-wing views—that the City did not support British manufacturing industry—with his views on the Japanese economy, where he thought that the manufacturing industry had been protected. However, he also blamed the Japanese economy which was involved in money games in the late 1980s. He hated both the financial sector in the City and the Japanese financiers, both of whom deprived him of secure jobs. He expressed his feeling as an ‘engineer’:

And you should also notice this, if you are someone like me, I am on my passport as an engineer, travelling alone, you can see numbers of British engineers working outside Britain, it’s almost criminal, the waste of British talent, supporting other countries’ economies, not our own.<sup>84</sup>

In the past, he had worked abroad to find jobs. He had once spent time in Japan delegated to a Japanese manufacturing company. He now yearns for a lost place like his hometown, which was 'the real heart of the industrial revolution',<sup>85</sup> in spite of the reality that he had been obliged to leave Britain because of the depression when he was young.

British staff who had difficult lives in Britain did not blame the Japanese strongly, but showed their feelings about their difficulties in British society. Mr Rogers expressed his feeling of fatalism. Mr Gibson similarly felt that he would not find motivation through work. He talked about his son, whom his ex-wife allowed him to see only once a month. He was saving for his son's education, and he repeatedly said that he, himself, had not been encouraged to carry on into higher education. By contrast, Mr Hunt still thought that the City was the place for finding opportunities. He had a great longing to climb up the ladder of British society. These people had the feeling that they had been marginalised in British society, or in British company lives. Other British staff in these Japanese companies, even senior managers, did not think that a British organisation would give them opportunities, which led many Japanese managers to the view that British staff who came to Japanese companies were not 'first class'.

These people did not have a strong sense of belonging to British society, nor to the Japanese company. They no longer belonged to the community into which they had been born. Mr Gibson and Mr Hunt did not think of themselves as working class now, although Mr Gibson talked about dog racing which he enjoyed very much as part of working-class culture. Mr Rogers talked about the industrial North, but he was thinking back to the North as it had been, rather than how it had become. They moved between British society and other cultures, or between different levels of class consciousness. Their feelings contrasted with those of senior managers and young yuppies who had graduated from Oxbridge and other prestigious universities in Britain. When British staff talked about how they saw their identity in Japanese companies, their stories varied according to their positions in British society.

Cross-cultural identity differs also according to gender. As we have seen in Chapter 5, women's antagonisms towards men were interwoven with their concepts of their own society. British female staff felt antagonism towards both their Japanese bosses and British senior managers, who were obsequious to the Japanese bosses. However, some British female staff did not show their anger towards their British bosses, but did express anger with their Japanese bosses. For example, Elaine was angry when her Japanese boss told her off indirectly through her British boss:

My Japanese manager does not see that I am working hard unless I am at the office till half past six every night... Instead my British manager told me about my appraisal mark, and he told my colleagues as well... His opinion is that when you get the work done, you can

leave the office. He said if I wanted to be a manager in October of this year, then I would have to behave in the way expected of me. To be honest, if they do not see that what I am doing is good, then I do not want to be a manager. I believe the British manager has defended me in conveying that I am an efficient worker, but he is in a difficult position as much as I am. It is difficult for him to go against the system.<sup>86</sup>

For Elaine, British male staff were on her side, but Ms Nicholson said she was treated better by her Japanese bosses than her British boss:

I think I actually get treated better by my Japanese boss, than my English boss, one particular one. I wouldn't like to make generalisations. My boss is very, I think he's very...yeah, I think he treats me very well, my Japanese boss. I think my English boss treats me well when it suits him.<sup>87</sup>

Diana Nicholson, and some other British female staff, said that they were treated better than the Japanese female staff by their Japanese bosses:

I think it's okay for Western women. For me, for example, in our department, I always felt that the Japanese female manager was treated much, was treated differently, because she was Japanese... She was asked to do things that I don't think an English person, at the same level, would be asked to do, like making coffee, buying presents at lunch time, that sort of thing, which... I get the feeling... I feel that they asked her to do things that they wouldn't ask an English person of the same level, to do... Because they think that Japanese women will do it, maybe, and an English woman wouldn't. I don't know. I mean, she wasn't happy doing some of the things, which is why she left. But I think an English woman would maybe have said 'No', rather than, rather than doing it unhappily, and then leaving. I mean, maybe the culture, maybe, culturally, it's more difficult for them to say no. To say, 'That isn't my job'. Because that's quite a hard thing to say, and maybe, culturally, it's not something that they do.<sup>88</sup>

In contrast to these managers, a British female clerical staff member showed her feelings towards her British bosses more directly:

I think there's a certain amount of what I'd call 'posturing', you know, where they...because they know they don't really have any authority, they try and act, you know, start telling you to do things. And you think, 'Well, I'm in the same boat as you are. I'm a Western

person in a Japanese bank, you know, don't pick on me! It's not my fault that you chose this job! And it's not your fault I'm here, either!'<sup>89</sup>

As we have seen in Chapter 5, Japanese women's feelings towards men were not openly articulated, like British women's. Japanese female managers, though there were very few in the London branches,<sup>90</sup> tended not to talk about the discrimination against women. However, Japanese female managers showed strong feelings of rivalry towards their Japanese male counterparts, whereas they said that they thought that British male staff should be pitied, because British women were too strong. These Japanese women tried to break down the barriers against Japanese female managers, and emphasised their competitiveness in the company; however, they emphasised their femininity when they talked about their British counterparts. Japanese women who were in the most supportive positions emphasised their femininity even more.

Locally hired Japanese personnel, most of whom were women, tended to emphasise their efficiency and hard-working practices as well as their femininity, which meant that they were the most vulnerable to exploitation. Their sense of identity was the most complicated among the groups in these companies.

In contrast to British staff and locally hired Japanese, the Japanese male managers who were sent from Japan were almost all from middle-class backgrounds with a successful educational background; some were even from an upper-class background. They were the core people in their national culture, and they adhered to their own cultural values, and defined themselves as if they were representative of their own culture. However, in their minds, there were still conflicts in terms of their position as international businessmen. They considered that they were not at the centre of the core in Japanese companies, because of their inferior position in relation to the more 'domestic' élite. In spite of their feelings that they were marginalised by the more 'domestic' élite, they still belonged to these Japanese companies, which were now well-known in terms of their assets. Their feelings of being at the centre of the society made them talk about what Japan is like, and about how the Japanese think. Therefore, the diversity of Japanese society tended to be invisible in their discourse. Although Japan had gained economic power in the late 1980s, these Japanese who identified with a national Japanese identity still felt they were behind the West in cultural power. Their emotional view of the world was, on the one hand, of still 'lagging behind the Western world', and, on the other, they continued to insist on their cultural uniqueness.

Though the British were confident that Britain was a more historically advanced country than Japan, they had chosen to move into these 'less civilised' companies. And as far as the locally hired Japanese personnel were concerned, although they had once dreamed of entering the more democratic and advanced British society, they now found themselves looking at this world from the bottom, and straddling two cultures.

Compared to British workers who joined Japanese companies, City specialists in Japanese business in British institutions were more confident and stable than local staff in Japanese banks. They may have been nearer the core of British society than the local staff. They viewed the Japanese completely as ‘others’, and inadequate.

Power relationships were complex around the axes of gender, class and ethnicity in transnational companies. Indeed, identity was not only shaped by national culture, but it also had a base in gender and class relationships. Men and women from different class backgrounds had different ways of seeing themselves. Identity was positioned along these different axes of gender, class, ethnicity and age. Therefore, there was no homogeneous collective national identity, no typical gender identity for all men or all women. Individuals could not identify their sense of self with a dominant expression of collective identity. They felt, ‘I am different from them...and why? The process of defining ‘us’ from ‘them’ prevailed throughout the companies. However, categories of ‘us’ were not always the same, but were always changing. A single individual might define herself in multiple ways—as Japanese, as a woman, as a well-qualified person, as a young person, as such and such.... She could also behave differently according to her own self-definition. She could also define herself as a more masculine woman than other women, or she could conceive of herself as Japanese but not like other typical Japanese. Therefore, it was impossible to arrive at a definition of the ‘typical Japanese’ person.

Yet, there were still dominant languages of ‘We the Japanese’, or ‘We the English’. Some spoke of such nationally characteristic identity more than others. Others hesitated to present themselves using such languages, thinking of themselves as belonging to sub-cultures, or to nowhere at all. The excuse of excluding local staff from global promotion in Japanese transnational companies used by Japanese top management was the language of such nationally characterised company culture, which in turn enhanced the cultural identity of Japanese core managers.

### **‘Floating identities’ between cultures**

Fragmentation of identity was seen not only between groups, but also within the individual. Individuals found themselves floating between different value systems when they faced the frontier of their cultures. The interviewees measured their positions in the hierarchy, and located themselves between cultures; however, their locations were not fixed, and were constantly examined and relocated. Their memories of the past were sometimes reinvented and romanticised, and they saw their present through their reconstructed past. Present unhappiness, or hopes for the future influenced their view of the past. The ‘floating’ was not only between past and present,

but also in space. When they had hoped to move to another culture, they had been more positive about cultural boundaries, but when they encountered difficulties, their notion of cultural boundaries came to the fore. When they came back to their own culture, like the Japanese returnees, they settled on the explanation of Japanese culture as an ever-unchanging culture. Individuals moved between cultures, although the degree of fixedness to a culture of origin was variable.

The most stable people were the Japanese male managers. In their notions, they located themselves at the centre of their family, their company and their own country. Even so, they doubted their own fixed identity, since they had encountered different values through their business and their interaction with local staff. They knew there were different cultural values outside Japan. However, in general, they adhered to their culture of origin, though some said that the so-called Japanese system was changing, while others said the system would not change easily. They were afraid of leaving their companies, though they thought they might have more opportunities if they moved to Western companies, using their knowledge and skills. They were also afraid of becoming marginalised on their return to Japan because of their long-term absence from head offices where Japanese employees, who adhered exclusively to Japanese values, controlled business and the management of their companies. In addition, life in Japan was more constricted than in Britain. However, they concluded that they were 'inevitably' Japanese. Furthermore, Japanese managers expressed a strong sense of their own cultural identity. They talked about the myth of Japaneseness, as an agricultural, patient, and stable nationality. Even though they were finding that business was now difficult, they believed that they would overcome their difficulties at some time in the future in their own ways of business. They knew that they would always remain a minority in the West, if they moved to Western companies. European or American companies might need Japanese, but they would not have any guarantee of stability in employment for the future. This notion prevented them from moving to non-Japanese companies. When they returned to Japan, they confirmed that changing the Japanese system was not so easy. Although their identities were fixed to so-called Japaneseness, they still experienced some sense of floating while they faced other values in the West through their working lives in the City. However, almost all of them did return happily to Japan.

All the returnees whom I interviewed in Tokyo said that the Japanese people and the so-called Japanese system were not changing. Identity itself was changeable, and therefore, they could be different when they found themselves in a different culture. When they came back to their own culture, they adjusted to the values of their culture of origin. I was introduced to Miss Kazue Tomoda by a British female manager. Elaine said Kazue had been the best at understanding British culture of all the Japanese employees. Yet, in Tokyo, she did not talk about the situation in London. She was more concerned

with her competitiveness in relation to her Japanese male colleagues in head office. She was clear that British managers would never become top managers in the London branches of these Japanese banks, because the British did not understand Japanese business culture. Her opinions I heard in Tokyo completely typified those Japanese who stuck to Japaneseness. Some Japanese male managers also said that the Japanese employment system would not change, and that therefore, local staff would not be guaranteed lifetime employment like Japanese employees. These people's ideas were changing while they moved around. They were concerned with their own culture which they were now in once again, but not with the culture which they had left behind. When they were in London, they were doubtful about the so-called Japanese culture, but in Tokyo, their language returned to that in Japan.

Female Japanese managers sent from Japan had already internalised the discourses of Japanese male managers about what was Japaneseness. However, they expressed conflictual attitudes towards being exceptional women in the world of the Japanese male managers. They rarely expressed their discontent towards their male bosses, in contrast with their British counterparts. For them, being assigned to London gave them another exceptional opportunity in their career course in their companies, and so, they conformed to the order of their society as 'honorary' Japanese men.

British managers were also faced with conflicts between two value systems in their working experiences in Japanese financial firms. They took risks in order to maximise their potential in the newcomer firms in the City. However, what they found was an unexpectedly large gap between their culture and that of the Japanese. In respect of working practices, the manner of decision-making, ways of evaluating achievements, and practices of socialising, working hours, and so on, what they had assumed to be common sense was denied in the companies. They wondered why their expertise was not sufficiently recognised by their Japanese bosses, and why the Japanese did not accept the hegemony of British business and work culture. In addition, the Japanese did not allow them substantial power in management, and global promotion of the British staff was unlikely. This led to British staff being extremely anxious about their personal strategies. Some British managers returned to, or thought of going back to British organisations, being deeply disappointed. They had attempted to contribute to Japanese companies, but thought that their efforts had not been recognised by the Japanese. Others showed inner conflicts between their own values and those of their bosses. Some managers, like Mr Green, tried to internalise Japanese work culture and Japanese business methods, although they were not sure if their efforts would be rewarded. Their hopes of making a hybrid work or business culture might sometimes have been realised, or it might have been an illusion on their part.

The British in lower positions in the companies were another group of stable people compared to other groups of British employees. It seemed that their inner conflicts focused on the class system in Britain. On this point,

Japanese banks gave them opportunities to gain decent office jobs in the City, which had the image of being middle or upper class. However, this does not mean that they were more sympathetic to the Japanese bosses. As we saw in Chapter 4, they were segregated from the Japanese and they had less contact with the Japanese, so they were free to invent their own stereotypical images of the Japanese. The Japanese thought that avoiding contact might have been a good solution to cultural misunderstanding, but in fact it allowed the creation of stereotypes. In addition, though Japanese banks gave them slightly higher salaries, they did not find what they had hoped for in the way of self-fulfilment.

The people who had the worst identity crises were the locally hired Japanese. They had at the time completely denied their origins in Japanese society and had moved to Britain to try to gain new identities. However, the people I interviewed had eventually returned to the Japanese community and had found jobs in Japanese companies. This group had vacillated the most between the two cultures. A male, locally hired Japanese showed deep psychic uncertainty, since he now had difficulty in finding a place in which he could locate himself. Mr Ushio had been working for a Japanese company, and had been sent to Oxford by the company, but he had not returned to Japan:

If I had gone back to Japan I think I would have been successful to some extent. So, it was wasteful that I did not go back to Japan. I could have enjoyed the prosperity of Japan over the past decades within Japan. I would probably say, arrogantly, that the British are not as good as the Japanese. I did not receive the benefit of the prosperity of Japan at all. I have been the loser.<sup>91</sup>

His regret contrasted with his decision not to go back to Japan. I asked him why he had not returned to Japan as he could have expected promotion there:

Yes, this is interesting, the reason is individualistic and philosophical. Britain is the world of individualism in our popular images. In other words, we can do what we cannot do in Japan. An individual is an ego. It is possible to look at the self, or to confront the self in the world of individualism. Yet, it is not possible in Japan. In Japanese philosophy, there is no idea of the ego in a European sense.<sup>92</sup>

He thought he could not reach self-fulfilment within Japan:

However, in general, we can look at ourselves outside Japan. We can have 'ego' in our lives in Britain, though it is impossible in Japan. You are obstructed, and if you are different you will be excluded. Japan was such a society, and I think it is the same now.<sup>93</sup>

His ideas of the contrast between Japan and Britain were exaggerated by progressive ideas. What he did in this country was to try to adopt a British identity. He talked about his experience as follows:

When I was in Oxford, I was completely separated from the Japanese community, and did not use the Japanese language at all. I decided to use only English and live only with British people. I entered into the world of English and became a part of the English language... There was a surface of water. Usually the Japanese look at British society, which is under the water, from over the water. I entered into the water. Then I could see Japanese faces from the water. There is a huge difference between looking at British society over the surface or from inside the water. It was no good half floating on the water, and half sinking in the water. You have to completely sink your body in the water.<sup>94</sup>

His feelings now lie between Britain and Japan, and for him understanding another culture is like drowning. I asked him if he wanted to go back:

Um, I do not know. But I do not want to live in most parts of Japan. Nor do I think I can live there... I cannot go back to Japan. First, it is impossible, and second, I do not have the will to go back to Japan. The second reason may be more important. It is very difficult in practice.<sup>95</sup>

He expressed the view that he would not be useful to Japanese companies:

My knowledge would not be useful in Japan. If I tried to use it, it might be possible in some ways. My experience and knowledge about Britain might be useful. For example, if I teach English at university, though it is another matter whether or not it is possible, I can contribute to the teaching of how to acquire the English language. It is also useful, for example, for English conversation schools. I think I would be useful in this area. But my knowledge in financial areas is not useful, because finance is not a matter of language, it is a skill, though English is the most common language for communication in the business. Yet, my experience and knowledge is not relevant to this area. It is like driving. You can drive a car in Japan even if you learn in France or Germany. The skill of finance is not relevant to the understanding of the society. The Japanese may need to learn something about English literature, English thinking, or British politics, such areas which are related to thought may be the subjects that the Japanese need to learn, but....<sup>96</sup>

He even thought that he could not live in Japan:

The reason that it is impossible to change myself is not only to do with work. It is also to do with family life, shopping, friendships, and so on. All aspects of life would have to change if I returned to Japan. I would not be able to live in that society at all, in respect of family life, friendships, working relationships with colleagues, and so on.... If I was disrupted so fundamentally, I would no longer survive.<sup>97</sup>

The fear of not being able to find a job in Japan made him frightened to return there. His story can be contrasted with that of Japanese male managers who worked for the company until retirement as lifetime core workers, and helped to explain the Japanese managers' fears of moving to other companies, thus giving up core positions.

Locally hired Japanese women also expressed their 'in between-ness', which I will explore in Chapter 7. In contrast to these women, the experience of Mr Ushio was less likely. Men, in contrast to women, usually adhered to their original culture. First, for men, it was more difficult to return to their original track in their companies, while if they stayed in their position in Japan there was more promise of opportunity. However, once they had left Japanese society, their experiences may have been harder than those of women, because what they might have lost was more than that lost by women.

Although there were differences in degree of vacillations between cultures, all those I interviewed experienced moving between cultures, and also between classes, and between gendered barriers. Those who had tried to break through restrictions in their own societies met with sorry experiences; by turning to other cultures, they had unsuccessfully sought to break down barriers. Whereas those who adhered to their original value system unquestioningly had found greater security. Akiko, a locally hired Japanese woman, told me about a farewell party for a locally hired Japanese woman in her bank:

She is around 30, and recently divorced her English husband. Then she decided to return to Japan. It is not too late for her to go back to Japan now and to try to find a job in Japan. She could find a full-time job because she is under 35 years old. And she said she wanted to find a Japanese husband. We all celebrated the start of her new life in Japan.<sup>98</sup>

Although these locally hired Japanese women did not themselves say that they could return to Japan, they encouraged and celebrated this young woman's return to Japan. Of course, those attending the party were all locally hired Japanese women; neither other Japanese employees nor British staff were there.

In the late twentieth century, it has become common for ordinary people to move beyond their original boundaries, not only national boundaries, but also boundaries of gender and class. People travel more widely, and they challenge

the limits of their cultures. Women have entered male spheres, and vice versa. Class differences have become blurred. These movements have caused problems of identity, feelings of uncertainty, displacement and a sense of loss.

As Anthony Cohen had said, culture can be defined as an expression of collective identities and their common norms.<sup>99</sup> Both the Japanese and the British in Japanese financial firms experienced being confronted with another culture in their everyday working lives. Through this encounter they defined their own culture and the culture of others. When they faced different norms and values which they could not understand, individuals sometimes became confused.

As we have seen, Japanese transnational businessmen had identity problems when they did business abroad. They had two imaginary cores for the world. Therefore, it was necessary for them to manage two value systems. On the other hand, British staff did not experience such contradictory feelings. For them, the 'core' of the world was in Britain, but they were not themselves 'core' people. They were eyeing the core, and Japanese banks were a possible route for them to climb up the social ladder in their society. Regarding this, Japanese male managers vacillated more between two value systems, in contrast to the British who had difficulty in understanding that there were any cultural values and orders other than their own.

Although we could see conflicts between the two cultural groups, their power relationships were changing in parallel with the changing world economy. We could say that their emotional map of the world would never be fixed and that the maps would change, as would their power relationships.

The basis of cultural identity in ethnicity was clear, but there were also diversities in cultural identity between men and women and between groups from different social backgrounds. Identity crises did not occur equally among the various groups of those who encountered other cultures. Individuals who were located at the core of their own culture tended to adhere to their own cultural values, or in the mainstream of their norms. This may have been because they enjoyed their prestigious position in their own culture, or it may have been a way of defending themselves and their position within their own culture. Marginalised people tended to deny the values of the dominant culture in the society where they 'belonged', and they tended to transgress the boundaries and to hold the illusory belief that there might be more opportunities for them in other worlds.

However, these marginalised people, both British and Japanese, were still in peripheral positions after they had tried to enter into another culture, and to gain new identities. Some fell into black holes between cultures. It seemed to be difficult to see them as 'free travellers'. In contrast, 'core' people could enjoy travelling without changing their identity or cultural values. Those who had wanted to join another culture might have been 'cosmopolitan' in terms of understanding other cultures, but in terms of material life they were poorer, and could not move freely between cultures. In contrast, those who

belonged to the core of their society could travel a lot, but they stuck to their own cultural values. So we might ask, who are ‘local’, and who are ‘cosmopolitan’? Locally hired Japanese and local staff like Mr Rogers, who felt that they had been betrayed by both British and Japanese companies, were familiar with plural values, though their opportunities in life did not reflect the breadth of their understanding.

Cultural identities were based on people’s ideas of worlds. If culture is self-constructed, we do not need to be worried about our ‘sense of belonging’, and we can be free from fixed values and the sense of longing for the core. We can see the world from the periphery between cultures, and can be happily invisible. Have Japanese women, who attempted to change their identities by moving across national boundaries, been successful with their projects? The next chapter examines their life stories.

## Notes

- 1 There are many differing definitions of the term ‘identity’. The word has a Latin origin. The word is particularly used in the psychology and sociology contexts. Identity has sometimes been seen as the root cause of the problems of individuals (Gordon Marshall, ed, *The Concise Dictionary of Sociology*, Oxford University Press, 1994). In this thesis, I use the word to explain the inner conflicts expressed by people having to locate themselves between different cultures.
- 2 As for ‘unfixed’ identity, see Stuart Hall, ‘The Question of Cultural Identity’, in Stuart Hall, David Held and Tony McGrew, eds, *Modernity and Its Future*, 1992, pp. 273–325; Stuart Hall, ‘Old and New Identities, Old and New Ethnicities’, in Anthony D.King, ed, *Culture, Globalization and the World-System*, 1991, pp. 41–68.
- 3 These large companies introduced their core employees to their next jobs, usually in their subsidiary companies, after employees had retired. This could give opportunities to those who had reached a bottleneck in the companies, and also gave job security after they had retired from the first company. If employees worked in large companies, there were more vacancies in subsidiary companies.
- 4 Although these employees in big companies had a strong sense of membership of their companies, once they had retired from their first company, they did not have the same feeling as they did when they were young. They knew their working life was finishing, and that they would never be part of the company in the same way.
- 5 After the war, the birth-rates in Japan increased and this generation was called *dankai no sedai* (a generation of a mass). As a generation of ‘baby boomers’, they experienced mass education in post-war Japan. They were also brought up in the environment of post-war democracy.
- 6 Interview 80, with a Japanese male manager (at an insurance company), in his 40s, interviewed in London in 1994.
- 7 Interview 28, with a Japanese male manager (at a branch of a bank), in his 50s, interviewed in London in 1992.
- 8 Interview 80, with a Japanese male manager (at an insurance company), in his 40s, interviewed in London in 1994.
- 9 Interview 12, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1992.
- 10 *Ibid.*

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- 11 His father wanted his younger brother to remain in the area and did not allow him to go to university in Tokyo. The brother was now working for the local authority in that area and looking after their parents.
- 12 Interview 81, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.
- 13 All the Japanese male interviewees studied law, economics, or international relations at university, whereas the British staff studied classics, history, linguistics, and so on.
- 14 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 15 Interview 87, with a Japanese male manager (at a securities company), in his 50s, interviewed in London in 1995.
- 16 Interview 81, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.
- 17 About one thousand years ago the *Heike*, *Taira* family fought with the *Minamoto* family for power. At that time Japan was divided into two: those who supported the *Taira* family and those who supported the *Minamoto* family. *Heike* had strong connections with noble people in Kyoto, which was the capital. The *Minamoto* family were supported by new emerging provincial families. In the end, the *Heikes* were defeated, and most members of the family died in battle. The *Heike* family represents 'the centre', and the *Minamoto* family the 'periphery' in this story.
- 18 The leaders of the Navy in pre-war Japan were against starting a war with the West, because they knew more about the international situation, but they were defeated in disputes with the more nationalistic leaders of the Army, who mostly came from the provincial areas but did not know the Western world. The result was that the Emperor decided to start a war with the West. Mr Kuwahata used the analogy between the *Heike* family, the Navy and the *Kokusaiba* business men as those who know the 'centre' of the world.
- 19 Urashima Tarou was a fisherman in an old story for children. He once helped a big turtle which was being tormented by children on the beach. Then, he met the turtle again and was invited to a palace under the sea. He met a beautiful princess and had nice food and danced every day. He enjoyed the palace without thinking of time passing. Finally he decided to go home, and the princess gave him a box, and told him never to open it. He came back to the fishing village and could not find his mother and his friends. Nobody knew him at all. He felt sad, and opened the box. Fumes came out of the box, and soon covered him in smoke, turning him into a very old man. Then he realised that he had spent very many years under the sea.
- 20 Interview 43, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 21 *Ibid.*
- 22 Tomoko Hamada, 'Under the Silk Banner: The Japanese Company and its Overseas Managers', in Takie Sugiyama Lebra, ed, *Japanese Social Organization*, 1992, pp. 135–64.
- 23 Interview 23, with a Japanese male manager (at a securities company), in his 40s, interviewed in London in 1992.
- 24 Interview without recording with a Japanese managing director of a bank.
- 25 Interview 2, with a Japanese male manager (at a subsidiary company of a bank), in his 30s, interviewed in London in 1992.
- 26 Interview 6, with a Japanese male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1992.
- 27 Interview 38, with a Japanese male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.

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- 28 Interview 100, with a Japanese female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1995.
- 29 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994.
- 30 *Ibid.*
- 31 Interview 81, with a Japanese male manager (at a subsidiary company of a bank), in his 50s, interviewed in London in 1995.
- 32 Interview 71, with a Japanese male manager (at a financial subsidiary of a trading company), in his 50s, interviewed in Tokyo in 1994.
- 33 Interview 68, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 34 *Ibid.*
- 35 *Ibid.*
- 36 Interview 65, with a British male clerk (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 37 *Ibid.*
- 38 Interview 47, with a British male manager (at a securities company), in his 40s, interviewed in London in 1994.
- 39 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 40 Interview 78, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 41 Interview 77, with a British female manager (at a securities company), in her 40s, interviewed in London in 1994.
- 42 Interview 61, with a British female manager (at a subsidiary company of a bank), in her 40s, interviewed in London in 1994.
- 43 Interview 75, with a British male manager (at a securities company), in his 30s, interviewed in Tokyo, in 1994.
- 44 Interview 52, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 45 Interview 62, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 46 Interview 56, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 47 Interview 48, with a British male personnel manager (at a branch of a bank), in his 50s, interviewed in London in 1994.
- 48 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 49 *Ibid.*
- 50 Interview 60, with a British female clerk (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 51 The British staff who went to boarding school were sent with support from their fathers' companies.
- 52 Interview 56, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 53 Interview 99, with a British female clerk (at a branch of a bank), in her 20s, interviewed in Colchester in 1995.
- 54 Interview 75, with a British male manager (at a securities company), in his 30s, interviewed in Tokyo in 1994.
- 55 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 56 Interview 68, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.

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- 57 *Ibid.*
- 58 Interview 47, with a British male manager (at a securities company), in his 40s, interviewed in London in 1994.
- 59 Interview 36, with a British male manager (at a subsidiary company of a bank), in his 40s, interviewed in London in 1994.
- 60 *Ibid.*
- 61 Interview 75, with a British male manager (at a securities company), in his 30s, interviewed in Tokyo in 1994.
- 62 *Ibid.*
- 63 *Ibid.*
- 64 Interview 62, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 65 Interview 44, with a British male manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 66 *Ibid.*
- 67 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 68 *Ibid.*
- 69 *Ibid.*
- 70 *Ibid.*
- 71 Interview 48, with a British male personnel manager (at a branch of a bank), in his 50s, interviewed in London in 1994.
- 72 *Ibid.*
- 73 I was introduced to this manager by his Japanese boss, and he was very cautious about what he told me. The British staff I was introduced to by their Japanese bosses were reluctant to express their feelings.
- 74 Interview 48, with a British male manager (at a branch of a bank) in his 50s, interviewed in London in 1994.
- 75 There are various titles for top managers of Japanese financial companies in London, for example, chairman, president, general manager, managing director, and so on. In this case, a general manager means a top manager of the branch.
- 76 Interview 56, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 77 Interview 68, with a British male personnel manager (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 78 Interview 65, with a British male clerk (at a branch of a bank), in his 40s, interviewed in London in 1994.
- 79 Interview 77, with a British female manager (at a securities company), in her 40s, interviewed in London in 1994.
- 80 Interview 60, with a British female clerk (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 81 Interview 53, with a British male manager (at a branch of a bank), in his 30s, interviewed in London in 1994.
- 82 Interview 41, with a City specialist of Japanese business in her 30s, interviewed in London in 1994.
- 83 Interview 47, with a British male manager (at a securities company), in his 40s, interviewed in London in 1994.
- 84 *Ibid.*
- 85 *Ibid.*
- 86 Interview 58, with a British female manager (at a branch of a bank), in her 30s, interviewed in London in 1994.
- 87 Interview 52, with a British female manager (at a branch of a bank), in her 20s, interviewed in London in 1994.

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- 88 *Ibid.*
- 89 Interview 60, with a British female clerk (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 90 After the recession, the Japanese companies reduced the number of female delegates from Japan. This indicates that the costs for long-term training of female managers tends to be cut first.
- 91 Interview 79, with a locally hired Japanese male manager (at a securities company), in his 50s, interviewed in London in 1994.
- 92 *Ibid.*
- 93 His ideas were very much influenced by the nineteenth-century novelist, Soseki Natsume, who studied in Britain and became neurotic and was sent back to Japan. It is interesting that this Japanese man still holds a nineteenth-century view of Japan. *Ibid.*
- 94 *Ibid.*
- 95 *Ibid.*
- 96 *Ibid.*
- 97 *Ibid.*
- 98 Interview 33, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 99 Anthony Cohen, ed, *Belonging: Identity and Social Organization in British Rural Cultures*, 1982.

## BEYOND NATIONAL BOUNDARIES

As we have seen in previous chapters, Japanese expatriate managers had two cores in their imaginary map of the world. When they were assigned to the West, they experienced emotional conflicts between two different cultural value systems. However, almost all of them located themselves within the so-called Japanese system, though there were subtle differences between *kokusaiha* (the international group) and *kokunaiha* (the domestic group). Some of them even emphasised the uniqueness of Japanese culture<sup>1</sup> in order to defend their business practices and the management of their transnational companies in the City. Although they said that Japanese society had too many constraints, that Tokyo was too crowded, and that their working lives were much harder than those of the Westerners, they still enjoyed their 'élite' position within Japan, and identified entirely with the Japanese identities in their life stories.

In contrast to these men, locally hired Japanese women, and a small number of men, who came to Britain through choice, located themselves between the two cultures. In their eyes, Japan was like 'dystopia', where they could never live. They, especially the older generation, came to Britain after having experienced personal crises, which had led them to attempt to live and work beyond national boundaries.

Japanese women who sought job opportunities in Japanese communities abroad had been recognised as a group by journalists in Japan, but had not been studied as a social phenomenon.<sup>2</sup> Disappointment with their working environment and family constraints, even after the Equal Employment Opportunity Law in Japan which came into force in 1986, was a driving force for these Japanese women to go abroad to learn English, to gain further education, and, in addition, to attempt to find job opportunities where, they believed, women were less discriminated against in the workplace than in Japan. These Japanese migrants after the 1970s might be called 'spiritual migrants',<sup>3</sup> as distinct from 'economic migrants' when Japan was a poor country after the Second World War.<sup>4</sup> The distinguishing characteristic of this new migration was that the motivation of these female migrants was not based on economic reasons, but on a constructed illusion about the West and Japan. In other words, the idea that women could have more freedom in

Western countries than in Japan was their main motivation. These women came to Britain to gain their freedom when they were young, which they thought was impossible in Japan. They thought that they could not bear to live with the situation of women as it then was in Japan.

The global movement of these Japanese was highly gendered.<sup>5</sup> The migration of these women contrasts clearly with the global movements of Japanese male businessmen abroad which has been observed since the so-called miracle success of the Japanese economy. As we have seen in Chapter 2, Japanese direct foreign investments had expanded from the 1970s, which had caused this global movement of Japanese company men. They formed the core of the expatriate community in London and other Japanese business communities, and they enjoyed more security in being abroad than individual Japanese migrants. On the other hand, as a result of the cessation of restrictions on taking dollars abroad in 1971, there was more foreign travel among ordinary people.<sup>6</sup> In the 1970s, it was a new fashion among young students to go overseas with little money. They often worked as manual workers in restaurants and hotels, or stayed in a kibbutz, only travelling when they had saved enough money from casual jobs. Young women also went abroad. Far less secure than Japanese managers who had been supported by companies, the Japanese women I interviewed had found opportunities for work in these Japanese transnational companies as locally hired employees. Global movements of contemporary Japanese took different forms for men and for women. Although global expansion of Japanese companies and the presence of their businessmen had been noticed in Western commentaries, the global movements of these ordinary people, as travellers, tourists and migrants, have not been recognised.<sup>7</sup> This phenomenon is continuing, with more Japanese women going abroad to work, study or marry. They are not large in number, but their existence demonstrates the relationship between the Japanese and the British, and between Japanese expatriates and the locally settled Japanese in Britain. Locally hired Japanese live and work among the Japanese business community, but never gain entrance to the centre of the community in London, nor do they enter very far into the host society.

This chapter examines how these women attempted to live between cultures. Most of them, especially those from the older generation, when talking about their lives—often in tears—showed the emotional conflict which they have experienced in finding themselves ‘between cultures’. There may be some Japanese women who have experienced the dreamed-of freedom in their lives, but the women in this study were working between the Japanese employees and local British staff in hierarchical financial firms. How did they perceive their ‘between-ness’? Male Japanese businessmen moved freely as ‘cosmopolitans’, described by Hannerz as free individuals living across cultures,<sup>8</sup> but these Japanese male managers, as we have seen, tended to keep their sense of belonging to their own ‘local’ culture. It has been pointed out that in the process of ‘globalisation’, rather than the emergence of a

homogeneous identity all over the world, different ethnic groups tend to emphasise their own cultural identities. Anthony Cohen also argued that individuals tended to emphasise the identity of their own local communities when they faced outsiders.<sup>9</sup> Post-colonial studies have highlighted ‘new identities’ being free from the ‘old identity’ which remained fixed on one culture.<sup>10</sup> Have these women gained new identities because they have been in between cultures, or have they been trapped by falling down a hole between cultures?

To try to answer the above questions, the first part of this chapter looks at how they had perceived their stay in Britain from the time that they arrived until now. Then, their contradictory feelings of acceptance and regret about their stay in Britain are explored. The final part analyses how their constructed images of Japan and the West have affected their personal strategies, and how stories have been made and remade through time and space.<sup>11</sup>

### **Life stories of locally-hired Japanese women**

When I first started to interview the Japanese businessmen in the Japanese banks I did not have the intention of seeing the locally-hired Japanese women. They had been hidden in the previous studies of Japanese multinational companies. During my field work, I heard life stories about being in the City that were different from those of the male managers, which greatly surprised me. Women working for Japanese banks in the City had different motivations from men and stayed for different periods of time in Britain. I have gradually become confident about the importance of their life stories. I finally interviewed, and recorded, 13 locally-hired Japanese women who had become permanent residents by marriage or by working for the required number of years in Britain.<sup>12</sup> In addition, I interviewed a few women who were willing to talk about their personal experiences, but only without being recorded.

The women were between 20 and 50 years in age, and came to London from the early 1970s onwards (Tables 7.1–7.3).

The profile of these women was that they remained in Britain for much longer than the Japanese employees who were sent from Japan. There were two main types: women aged over 40 who had come to Britain because of personal crises, mainly concerned with work or family life, and who had a strong work ethic; and the younger generation who had come to Britain with better educational backgrounds and less out of personal crises. They settled through marriage. Not all Japanese female migrants fitted neatly into these two categories as some were well-educated Japanese residents in their forties and fifties in Britain. However, Japanese women who had come to Britain in the early 1970s without higher education and were now working in these Japanese companies, were being replaced by those from the younger generation with better education or by local British staff.

*Table 7.1* Age of locally-hired women at the time of interview

<i>Age</i>	<i>Number of women</i>
20s	1
30s	3
40s	7
50s	2

*Table 7.2* Years staying in Britain

<i>Years</i>	<i>Number of women</i>
Less than 5	2
5–10	5
11–20	4
21+	2

*Table 7.3* Marriage of locally-hired women<sup>13</sup>

<i>Status</i>	<i>Number of women</i>
Married to British or European	10
Married to Japanese	1
Single	2

### How and why did they leave Japan?

Their life stories revealed that the main reason for leaving Japan was their perception that life as a woman was unbearable, both at work and in the family, and especially life as a middle-aged woman. When women in their forties and fifties were younger, Japanese workplaces were worse than now. Yuki, in her late forties, who had graduated from an English-literature department in a national university, had found that her responsibility in the company had not increased at all:

I had worked for the company for about five years and it was gradually becoming boring. The work had changed little by little, until finally I was only filing catalogues... I became tired of the work. I wanted to have a rest. During this rest, I wanted to study English. I wanted to be able to speak English.<sup>14</sup>

It is repeatedly said in management studies and by Japanese male managers that the Japanese employment system means lifetime employment, and that companies and workers are mutually dependent. This is considered as a

strength of the Japanese system, but for women this very lifetime employment means their complete exclusion from core working positions. Good-quality women workers are easily replaced by cheap younger workers. Yuki said, 'When I told them that I would resign, they did not try to persuade me to stay. So, I resigned immediately'.<sup>15</sup>

As we have seen, work in banks had been strictly structured according to education and gender. Sachiko told how she had felt while working in a bank as a young woman in the late 1960s and early 1970s:

It was many years ago, so my memory has faded. However, when I was about 18 or 20 years old, if I took a seat, I was told that I had to take a seat in the lowest position. When I was in front, my male colleague would tell me that I had to be at the back, because I was a woman. I still remember his words. He said, 'Women should not behave in a noticeable way'. In addition, I found during my training that my male counterparts' tasks were assigned to collect deposits from customers. But female staff had to stay in the bank and were given no opportunity to show their ability. I thought there were still feudalistic ideas in Japan. So, I really hated Japanese society, and I thought every day about leaving Japan.<sup>16</sup>

Tatsuko, in her fifties, also worked for a bank after she graduated from high school. She recalled:

I worked harder than men who joined the same year as me, but those men who were not able to work as well as I could earned a higher salary. I did not know *seken* (the society), so I complained to the top manager of the branch. He said men would work for their lifetime, but women would resign when they married. He said this was the reason for the different salaries of men and women... I found I could not do anything there and therefore I had to resign... I worked harder than others, but they did not admit it. So, I thought I must do something else.<sup>17</sup>

Even the younger generation thought that workplaces within Japan were still male-dominated. Mami, in her twenties, graduated from a competitive private university in the late 1980s, and could have had good job opportunities within Japan. If she had been a man she could easily have joined a big Japanese company as a candidate for a key worker position. Yet, she chose to join a British bank in Tokyo:

I thought Japanese companies had customs that limited opportunities for women. There was already the Equal Employment Opportunity Law, but I did not think the law was influential. Women had been

doing conventional jobs, therefore even if we suddenly joined companies under the new law, I did not think that the situation would change. If I had wanted to change my situation as a woman, I would have had to have the courage to alter the situation, and I did not want to be brave and break with the custom. On the other hand, I had images of freedom for women in foreign companies. In addition to this, I wanted to go abroad.<sup>18</sup>

Mami worked for a foreign bank for two-and-a-half years, and resigned from the bank in order to study in Britain; at the same time she married an English man whom she had met while being trained in a British bank. After one year's study in Britain she joined a Japanese bank in London as an assistant researcher which involved minor secretarial work. It was ironic that she had not wanted to do supportive work in Japan, but that she was now making coffee in a Japanese company in London, which she thought was a more advanced place for women. How can we interpret this situation?

The discontent of these women is not only related to work but also to family problems. Chizu, in her forties, did not get on well with her stepmother, so she had wanted to leave Japan. First she went to a kibbutz in Israel; then, in the early 1970s, she joined a hippie group in Cyprus, and came to Britain with them. She worked on a hop farm and then travelled around Africa, later returning to London where she met a young English man. He worked for a while, and then they travelled for a period. She lived with him, and finally decided not to return to Japan. These women, in their forties and fifties, told me how difficult it was to get on well with their family. As daughters in the family they had experienced the difficulties of living in Japan. These women felt that they had been abandoned by their own family.<sup>19</sup> For example, Sachiko had felt that it was extremely hard when her mother had said that daughters were expensive to bring up, because they did not contribute to their family in terms of income. This was another reason why these women wanted to leave their country. Even young women suffered from this situation to some extent, as Mami's case demonstrated. Her brother had graduated from the same university as Mami, which meant that he was in a position to join one of the largest companies in Japan, but he returned to their hometown to live near their parents. He may have thought he had a duty to look after his parents, but he could also expect to gain family property and support, while Mami had to find a place to live outside the family, either through marriage or by finding a job which would allow her to be independent.

Sachiko explained how she had hated Japanese society and had decided to come to Britain in the 1970s:

Women's lives were just for marriage, to stop working, and to have babies—that was all. Wives had also to be obedient to their husbands. It is according to the old saying *fusho-fuzui*, which means wives should

follow what their husbands say. I hated such a saying. I also hated the word for a husband, '*shujin*', which means the master. I thought a husband was not a master. I felt it after I came to Britain. I came to Britain, because I wanted to come to the country I had admired, I wanted to study English, and I wanted to get a better job.<sup>20</sup>

Furthermore, they thought that the norms of Japanese society were oppressive. Aiko, in her thirties, contrasted the two societies as follows:

I do not feel pressurised here in Britain. In Japan there are too many role models which we have to follow. There are models which, if we do not follow, mean we are bad, aren't there? ...I feel best if I can shut out the gaze of relatives and neighbours.<sup>21</sup>

Fuyuko also explained that she would never live within Japan:

When we reach a certain age in Japan, people talk about us, especially about women, saying this person is still single, or this person wears dresses which are too showy, or this person enjoys herself too much for her age. People decide what we should do according to age. Of course we had to follow it, but I still feel bothered by those ideas... I feel that I could not live in Japan any more. It may be strange, but I feel that I can live freely here. There is more freedom in this country than in Japan, where we are strictly tied to social rules... I especially feel the lack of freedom at work. If we work in companies in Japan, women especially have no freedom. If a woman wants to give her opinion, she must have graduated from a first-class university and have the same status as men. If a woman wanted to get such a position she must follow this life course. Even if a woman wanted to get inside this life course from outside, she could never enter it. She has no chance of even giving her opinion. She has no chance of showing her ideas. If a woman has no opportunities, she cannot do anything.<sup>22</sup>

Yuki also commented:

If I had stayed in Japan, I think I would have felt awkward, because people treat women who become older as nuisances, especially in the workplace. And women who are single feel uncomfortable. I think I would not be talked to by young people, because they would think I am a middle-aged woman... I would be isolated from men and young people, wouldn't I? But in Britain I need not feel my age all the time ... My mother has asked me again and again to come back to Japan, but the reason why I do not want to go back is that I cannot find a job. Even if I could find a job, I would be living just to

work. I could not take holidays for my pleasure. And I could not find friends, because most women of my age are married, so I would feel lonely. As young people cannot be my friends, I would just go to work and come back home. It would be very lonely. I do not want to work in companies in Japan again. I could not bear it again... Of course I do not think I could find a job in Japan. But if I could find a job in Japan, they would order me, with an arrogant attitude, to make photocopies or to make tea, I suppose... In Britain the job description is clear, so even though I am working in a Japanese company, I need not make tea. I do not know the present situation in Japan, because now I am not working in Japan, but I suppose if I worked in Japan they would ask me to do insignificant and unimportant work.<sup>23</sup>

Through these testimonies, we can see a clear dichotomy in their perception of the world: 'the advanced West' and 'unbearable Japan'. Although there were various reasons, spoken and unspoken, most of them had been discontented with their lives in Japan, both in terms of work and family life. They thought they could not continue to live in Japanese society, and that the West would give them better lives. Fuyuko said, 'When I was 43 years old, I wanted to have a rest, and I just came to Britain, because I liked Europe and the tradition of England'.<sup>24</sup> In the eyes of these women, Britain was seen as a place of refuge. And then they started to study English in Britain.

### **What did they feel when they first came to Britain?**

These women felt excited when they first came to Britain. Fuyuko said, 'When I came to Britain, I enjoyed it a lot. I felt my youth had returned'.<sup>25</sup> Sachiko gave a vivid account of her feelings in the early 1970s:

At that time I was happy. I was young and ambitious. I had nothing to be afraid of. I had dreams and I had a future. Now I am horribly wornout by household cares. At that time I had freedom. I could do everything I wanted. My parents were in Japan and I was alone. I was brave, and although at that time there must have been rapes and murders, I did not think of such things. When I had no friends, I went to the cinema and went back to my lodgings on foot, by myself, at midnight.<sup>26</sup>

Although Sachiko said she had been happy, her life was that of a lonely traveller without friends in a foreign country. Megumi also said she had enjoyed leisure activities which were impossible in Japan, especially in the provincial city in which she had lived.

As mentioned before, most of these women had come to Britain to study English. Originally their plan was to stay in Britain for one year, their savings not being enough to stay longer. Yet, they had not returned to Japan. Why was this the case? Sachiko:

I used up the money that I had brought with me after one year, then I found a job in a bank... I did not want to go back from the beginning ... I was young. I did not feel afraid. I did not *knowseken* (the society) ... Life in Britain was more stimulating than that in Japan. I was interested in the many people of different races when I walked in the streets... There were many different people, and different ways of thinking... I could not meet anyone in Japan who had the same way of thinking as me. But I found here newer, and more progressive women, than me. I felt empathy with them when I came to Britain. I felt that these were the ideas and the world that I sought... Since that time Britain has become a melting pot of races. I felt wonderful when I got on the train and found people of different races. I felt empathy with the fact that women are strong in this country.<sup>27</sup>

Sachiko's story demonstrates to us what images she had of Britain. In her story, she had then become a 'cosmopolitan' in the capital city of Britain, where women had freedom and ethnic minorities lived alongside white British people. However, she had failed to notice that both women and ethnic minorities also had difficulties in this country, as she had been looking at Britain with a 'tourist gaze'. Her use of the phrase 'melting pot' is interesting, though an anthropologist, Eriksen, has pointed out that the word can evoke a false image.<sup>28</sup>

Some of them went back to Japan before they finally decided to settle in Britain. Reiko, now in her forties, was asked to return to Japan to meet some men for an arranged marriage. However, as she was by then already in her thirties, she would have had to have chosen either a divorced or a bereaved man, and she did not want this. Although these women hesitated before making their final decisions, eventually ideas of 'oppressive Japan' stopped them from going home.

### **Disillusion about their working lives**

After they had decided to remain in Britain they had to find jobs, and they took the opportunity of working in a Japanese bank. Especially in the 1970s, these banks would apply for work permits for them. The banks needed Japanese women who were able to speak both Japanese and English, and who knew the Japanese work culture. At the time, the women had the illusion that if they worked hard, they would gain better opportunities. For example,

because of her traditional Japanese work ethic, Fuyuko, in her fifties, was a loyal and hard-working employee:

I have always worked conscientiously, even though nobody oversaw my work... My responsibility was expenditure, and I did not have time for lunch and I even felt bothered if people talked to me. During the busiest time, I worked until 9, 10, or sometimes until 11 o'clock at night. I felt that I went home just to sleep... I worked because there was too much work to do. I had two British junior clerks, but it took more time if I explained to them how to do it.<sup>29</sup>

Yuki, in her late forties, also worked hard when she first entered a bank two years after she came to Britain:

In total, I was in the bank for nine years. But the money-market work made me ill, because, for example, if I wrote down expenditure as one hundred million and then made a mistake and added another zero, it would cause big problems. I sent many expenditure telexes a day, so inevitably I made mistakes, and the daily interest was then enormous. I often woke up at midnight, because I was worried about whether I might have made mistakes.<sup>30</sup> Then I lost weight, became ill, and entered hospital. After that I asked them to move me to another section, but it was not a good section and the boss of the section was hard on me, so finally I resigned from the bank... Now, I do not want to get promotion in a company. In the beginning when I was in the Japanese bank I wanted to get promotion. I thought that if I had worked hard I would get promotion.<sup>31</sup>

Tatsuko, in her fifties, told of the long hours and hard work which she had been involved in, in the most eccentric way:

In Britain, everybody's responsibility is clearly described. Therefore, the British staff say, 'That's not my work'. Then, I found I was doing everything which did not belong to anybody else in the department. Everything came to me, so, at one time I was not going home until midnight. This lasted until I became ill. Even after I had damaged my health, I had tasks to do until midnight. In 1989, or 1990, I worked 160 extra hours a month. The regular working hours were from 9 to 5, so, it was as if I had worked another working day after 5 o'clock again.<sup>32</sup>

These women, at first, held on to the illusion that long working hours would bring better opportunities, an illusion arising from their cultural background.

At the same time, these women also emphasised their skills, qualifications and knowledge of special areas, in order to prove that they were as valuable as the Japanese male employees as workers. Usually, Japanese male employees did not emphasise the importance of specialist areas, skills and efficiency, as

they thought that cooperation among key staff was the most important quality for management. Therefore, there was a contrast in ideas between Japanese male employees and locally hired Japanese personnel over what constituted quality in workers. It might be said that the discourse of locally hired Japanese was more like that of the British staff in respect of work skills and specialist areas. In addition, Fuyuko emphasised the importance of accuracy in work and personal ability, rather than educational background:

In order to be a good worker, you should have common sense, be good natured, and be able to be accurate, though I do not know if I can call this skill. For the work I'm doing now, I need to be very 'accurate', and have a good memory. The most important points are 'correctness' and 'conscientiousness'... Japanese companies ask for a curriculum vitae, and we have to provide information about which school we graduated from, and what level we gained at school, our family background, marital status, partner's occupation. But they do not consider each individual's ability, and a curriculum vitae is just a piece of paper. I hate this the most. The Japanese ask about age, the place you live, which school was attended... I was not able to go to the type of school that I wanted to, so I may have an inferiority complex. Women employees from head office often talk about their educational background, but I think the most important point is personality, and ability. That's what I think.<sup>33</sup>

Tatsuko also emphasised the importance she attached to honesty and conscientiousness in her work, though she found that British clerks and other younger Japanese were not able to work like her. However, she found that her salary was lower than that of younger Japanese women with better qualifications.

Megumi continuously pursued qualifications in Britain one after another, as if she wanted to prove that she was competitive. First, Megumi passed the Cambridge First Certificate Examination during her first year in Britain.<sup>34</sup> Since that time she continued to gain certificates. After three years, she passed the Cambridge Proficiency Examination, the Banking Diploma after another four years; and then the International Banking Diploma.<sup>35</sup> Finally, she was promoted to the position of senior manager in a Japanese securities house in the late 1980s. However, the business she was involved in collapsed after the recession, and she lost her position. She was working in the same securities house, but she had nothing to do every day. She said, 'It is painful just to wait for lunch time to come with nothing to do. It was much easier for you if you are extremely busy'.<sup>36</sup> She now thought that her qualifications were not good enough for her work and wanted to be a lawyer. Her ideas about qualifications contrasted with those of Mr Chiba who thought qualifications did not mean anything in Japanese companies.<sup>37</sup>

These women also enjoyed the longer holidays they were able to have, though usually Japanese employees had only one week's holiday in the summer and another week in the winter. They had gained more Westernised ideas about holidays, and changed their jobs in order to obtain higher salaries. In addition, some of the women, especially those from the younger generation, did not feel the same sense of belonging to the company as did the Japanese who were sent from Japan:

I would have the sense that 'I' represented this bank, if I had been a Japanese sent from Japan. They think they have a responsibility for the name of the bank. However, the locally hired British, including me, never talk about the name of this bank, as a 'face' of this bank. They do not have such a feeling.<sup>38</sup>

Compared to the younger generation, middle-aged Japanese locally hired women worked hard, even at the expense of their health. I asked Reiko about why they worked so hard. She answered, 'We were at the bottom of the heap, so the only thing we could do was to work hard'.<sup>39</sup>

These women are now full of resentment. Tatsuko recalled:

I think I was used by the bank. Although I didn't realise it at the time, I could have refused to work until midnight. The bank could have employed more people. However, my boss wanted to be promoted by increasing the output of each member of staff. They could have employed more people. I did not recognise it, and I became ill. I was asked by a doctor if I sat all day. He thought I was sitting from 9 a.m. to 5 p.m., but he could not have realised that I have been in my chair from 9 a.m. until midnight. I did not tell him that I worked until midnight. I had an operation, but I still have pain when I sit.<sup>40</sup>

Tatsuko wanted to work long hours to prove she was a good clerk. Besides, her low salary forced her to work extra hours in order to support herself and her children. She was now questioning why she worked so hard, even though her salary was still low.

Yuki now works for another Japanese company which is not so conventionally structured as the *zaibatsu* banks:

I think Japanese banks believe Japanese women are useful because they think that they work hard, but they do not pay us well, because they know our situation; we need jobs in order to survive. They think that Japanese women can use both Japanese and English, but they do not think of paying us more, even though they feel we are useful... They pay the lowest possible salary. But if we compare ourselves with the British, the Japanese who came here are much older than them, but they do not consider our education or work experience.<sup>41</sup>

She now thinks it is impossible to gain promotion in a Japanese company, and she said that for her the aim of life was just for enjoyment:

After some years I gave up trying to work hard. As far as my work in a Japanese company in Britain was concerned, I was inferior in the use of English compared to British staff. As for work, a woman is not valued unless she is much better than men. I do not want to work hard now. As long as I can do some work, I prefer to enjoy my life in my spare time.<sup>42</sup>

Yuki's story shows us how she had been disappointed by her Japanese workplace, both in Japan and in London. These women, who showed their discontent with the Japanese companies' images of women's work, and idealisation of marriage, came to Britain to find their freedom, but they still had to work on the periphery of the Japanese male world. Their dream of finding better opportunities in a Western country seemed to turn into an unfulfilled illusion.

There were Japanese women who bravely moved to Western banks in London in order to see what they could achieve. In the late 1980s, these women, both from the younger and older generations, found opportunities to work in non-Japanese banks in London, because Western banks needed Japanese to do business with Japanese companies. They were delighted when they were first invited to prestigious Western banks. They felt this was a pathway to realise their ability. Reiko described the day she told her Japanese male bosses:

They were really surprised when I told them, and said to me, 'Will you be all right?'. They had not expected a clerical girl to be asked to join a prestigious American bank. They thought I could not work for the American bank. If I stayed in the Japanese bank I would have been the same clerical worker forever.<sup>43</sup>

In spite of her delight, Reiko found that the three months of training were extremely difficult:

I made a desperate effort to survive in the American bank. It was difficult in the beginning even to answer the phone. My colleagues were all malicious. It was like an apprenticeship. It was the first time I had been surrounded by such ill-natured people... They did not give any information. It was like abuse. It was certainly because I was Japanese, though nobody said this clearly. I was unable to do anything but had to put up with the abuse. I think this is the reason I have become strong and survived. I felt I had been thrown to a pack of wolves.<sup>44</sup>

Despite the difficulties, Reiko survived to become a senior manager, selling securitised bonds to Japanese investors. She knew she was selling bonds which would result in bad debts for the Japanese investors. She confessed, 'I felt guilty, but it was my task'. In spite of her feeling of betraying her own country, she was made redundant when the boom of the late 1980s collapsed, and the bonds she sold became bad debts. She was called 'a *geisha* girl for the American bank' by Japanese businessmen.<sup>45</sup> She is now unemployed. Yoko, also despite her pride in working for a European bank, moved back to a Japanese bank:

I did not hesitate to come back to a Japanese bank. When I was working for a European bank, there were 200 or 300 staff for the equities business, but the number who were doing business with Japanese customers was only two or three, and there were about ten people selling Japanese equities to European investors. Among them there were only two Japanese. Therefore, our position was extremely weak, and there was no possibility for promotion within the company ... When I had learnt enough, I thought I would see how much I could develop my career in a Japanese company.<sup>46</sup>

Both Reiko and Yoko thought they could break through the so-called coreperiphery employment system within Japanese companies by moving to Western companies, where they imagined there was free competition. However, they were only useful while Japanese businesses were flourishing in the late 1980s. Once the Japanese markets went down, their roles finished as well, in accordance with the free-market system in the labour market. In Japanese banks they had been excluded from promotion, but in Western banks they were an ethnic minority. Both Reiko and Yoko now had negative views of British people.

### Disillusion about their private lives

These women were reluctant to talk about their personal lives, though the fact that 10 out of 13 interviewees were married to British or European husbands indicated that marriage was one of the key issues involved when they decided to stay in Britain. Sachiko recalled how she married in the 1970s:

I met a British man who was interested in *zen*. At that time it was the first time that this country had begun to look at Japan. He was also interested in oriental women. Then we lived together, and without an engagement we were married. I cannot tell whether my marriage has been good or not. I married him when I was too young. I was 24 years old. I should have done more of what I wanted to do. For I did not come to Britain in order to marry. Part of the reason for my

marriage was loneliness. I fell in love, at the same time, I was receiving many phone calls from Japan asking me to go back soon. I felt pressurised by these phone calls, so I got married.<sup>47</sup>

Their marriages were often not approved of by their families in Japan. Chizu did not tell her family in Japan about her marriage for a while, even though she knew this was unusual. When they found out about Chizu's marriage, they were very angry, because they thought it was shameful to marry a Western man without their agreement. When Aiko decided to marry her British husband, even though her 'parents reluctantly accepted it after a while', her relatives 'tried to intervene in the marriage' and blamed her. Her relatives thought that they could not accept a British man as a member of the family.<sup>48</sup>

On the other hand, the older generation said they had found more sexual freedom in Britain. Fuyuko said it was, and still is, difficult in Japan for a middle-aged woman to marry. She had met her European husband, who was nearly 20 years younger than her, and said also that most of her friends were married to younger men, which was unusual in Japan. Fuyuko said their marriages were happier than in Japan. Although, while on tape, Fuyuko talked about her happy married life, when the recording was finished she spoke of her husband's behaviour with other women. She described how one day, undetected, she had followed her husband who was walking with his young female friend. Even while telling this story, she smiled throughout as if trying to deny her unhappiness. Aiko also talked about her married life after the taped interview was finished. When she had met her husband he had been interested in Japanese culture. This was one reason for their marriage. Now, however, she said that she did not like him very much, and she added that she could not explain why she had married him. Now her husband does not want to work, so she has to work. She has to leave home about 6.30 a.m. in the morning and gets back about 8 p.m. Her conditions of work as a contracted worker are now much worse than when she was a full-time teacher in Japan. She was unhappy not only in her work but also in her family life. She felt that she could not bring up her children by herself. Her husband now looks after them at home, but she thinks that children should be with their mother. However, she has to work as a breadwinner for the family. Aiko told me about the pain in her stomach again and again during her interview, which probably demonstrated her unhappiness. Despite their saying that they had more equality at home than Japanese couples, these women still had responsibility for housework, as well as being major income earners for the family. Even young Mami, in her twenties, said she did all the housework.

They were reluctant to talk about their husbands' lives and situations. I met two of them. Unlike Fuyuko's story that Japanese women married younger husbands, both of these husbands were elderly and seemed to me to be having difficulties with unemployment. According to a British personnel manager, these women needed to gain British citizenship to stay in Britain, and therefore married lower-class men without giving the matter enough consideration.

However, I cannot say for certain that all of these husbands were not well educated, or were financially insecure.

Another reason that these women were working was that their husbands controlled the whole family expenditure, so they needed a source of income for themselves.<sup>49</sup> Akiko said, 'I think men in this country are mean. My husband does not want to buy me something which I want to buy. So, I can say to my husband that I will buy this coat with my income. This is the reason why I am working here'. Tatsuko was also surprised when she was first told by her husband, 'Why do I need to give you the money I earn?' She commented, 'Most of my friends who have married British husbands complain about money. I think Japanese wives are better off as they can control the family budget'.

As these stories have demonstrated, these women now to some extent regret their married lives in Britain. Sachiko explained:

My second eldest sister has a very obedient character, and is a typical Japanese woman. She graduated from high school and prepared to be a bride, learning sewing, and then got married. If I look back now, those women are happier than I am. They need not work and they only look after their children and do the housework. In addition, they can maintain a good standard of living in Japan.<sup>50</sup>

Sachiko was against traditional ideas of women when she was young, but she still has a traditional idea of the 'ideal family', and is suffering from it. She wants to look after her children by herself and she has uncertain feelings about working in this country. Once Sachiko had the chance of promotion to be a dealer, but at that time she had a baby so she gave up the idea of promotion and her ambition, and moved to clerical work in order that she could be with her baby after 5 o'clock. She told me, again and again, that if she had accepted the promotion she would have been in a higher-status job. Sachiko does not know her present status exactly, but wants to continue to work in her bank peacefully until she reaches retirement.

For all these women, it remained difficult to change their ideas about women's role into which they had been socialised while in their culture of origin. This left them with dual burdens at home and at work.

There were unspoken stories behind their spoken stories. They did not talk very much about their experiences of love. Additionally, it was also difficult to ask about their private lives in their offices. However, some of them talked about their private lives off tape.

Haruko, in her fifties, was a 'modern girl' in Japan in the 1960s, who would not talk to me in her office, but arranged to meet me in a pub after work. As a young woman, she went to the ports to see young Westerners while she was working in Tokyo. She recalled how she was an attractive girl and was liked by Western men. Her stories of working life in Japanese

companies were full of tales about competition for the love of men. She showed hostility towards Western women when talking about competing with them in terms of attractiveness in the working environment. She said that Western women were jealous of her when she was admired by British staff, and she resented that Japanese men were kind to white women.

Some other locally hired Japanese women talked about the competition to gain a male boss's favour. Tatsuko told me how she felt that her boss had blamed her because his lover, who was also her colleague, had passed on bad stories about her. These stories were uncomfortable to hear, but they also reflected relationships in this multiethnic working environment.

Stories of these women's private lives told of how they fitted into the structures of both societies. Because of their social background, because of being ethnic minority women, because of the images of obedient Japanese women held by Westerners, and of course because of their financially insecure situations, these women were easily exploited. In spite of their primary images of 'freedom for individuals in the West', their stories in fact revealed the storytellers' powerlessness. They experienced hardships both in their private lives and at work, though their voices have been rarely heard.

### **'Floating identity'—regretting and accepting**

As we have seen in the swing of identity between cultures in Chapter 6, these women were also floating between cultures. These women had chosen to live in Britain rather than Japan. However, their positions now were of the lowest in their companies. Megumi said:

When I was working in a Japanese bank, there was a strict order among the employees. The top was Japanese male employees, the second were the British staff, and then we, the locally hired Japanese women were at the bottom. We were lower than the British staff, who were not well educated, even though we had graduated from university.<sup>51</sup>

As we have seen, they tried to overcome their disadvantageous positions by working long hours, and by gaining higher qualifications and by moving to Western banks. Yet, their status remained low. In this regard, they could not cross the boundaries between cultures. Their attempts to pass from the strictly structured Japanese society to another society had not seemed successful. They remained locked into the order of Japanese society, even in London. On one occasion when I visited an office, I was taken to a meeting room by a Japanese woman. I asked her if she was an employee from Japan, to which she whispered, as if talking to herself, 'I wish I were a delegate from Japan'. We can see here again the distinction between Japanese sent from Tokyo and individual migrants.

What do these women now think about their decisions, and what do they want for the future? They still said that they did not want to return. In practice, it was difficult to go back after living outside Japan for many years. Megumi and Reiko told me that they would only get pensions in Britain. In addition, if they left Britain for more than two years, they would lose their right to a pension. Megumi was ill, and wanted to have an operation in Japan, but it would have cost her about £5,000, as she had not paid into the National Health Insurance System since she had left Japan. Therefore she was obliged to have the operation under the NHS system in Britain. Being no longer entitled to benefits under the Japanese welfare system made it impractical for these women to return. In addition, most of those from the older generation did not have a family network in Japan to support them emotionally. Some of them who had already lost their parents thought they no longer had ties with Japan.

However, these women had few friends here, and almost none had British friends, even women who were married to British husbands. Probably they spent most of their time in the office. As a consequence, they did not have enough time to improve their English or social skills in order to socialise with local people.

Yuki told me that once she had had a British boyfriend, but now her few friends were only Japanese and Chinese. Yuki also said that she would not go back to Japan even when she retired from her present company. Finally, however, she told me that if all of her friends here died and she was left completely alone, she might go back. Haruko had returned recently when her parents died, and was encouraged by her relatives to come back to live in Japan. She discovered that she now appreciated the warm, close, relationships in her home village, which she had thought interfering when young. Mitsuko, who had married a Japanese settler, said she wanted to go somewhere else rather than to Britain or Japan, for example, to Spain.

Some were still trying to find their paths, like Megumi, who in her late forties was now trying to be a lawyer. However, most of them said that they have given up any hopes of improvement in their working lives. Yuki expressed the feeling that work was for earning a living, and that was all for her. Fuyuko expressed ambivalence about her desire just to carry on her work until retirement:

If I were a professional worker, for example, a dealer, I would be more ambitious, but I am just a clerical worker. The work that I am now doing is work that everybody can do. I will work in this bank faithfully until the age of retirement.<sup>52</sup>

Despite this statement, she showed her anger over her lack of promotion to a manager's position. She wanted to be a manager. For those of her generation, the Japanese work ethic is deeply embedded.

Compared to their passion to come to Britain, feelings of regret have surfaced. Sachiko narrated:

I do not think I could work with the British all day without speaking Japanese. If I look back now, the reason why I have not suffered from homesickness was that I have been working with Japanese in Japanese banks since I started to work here. So, I did not feel in particular that I wanted to go home.<sup>53</sup>

Despite her strong dislike of Japanese society, loneliness has been one of the most difficult matters she has had to overcome.

Not only do these women still live among the Japanese community and its culture, they emphasised how they had become more identified with their own Japanese culture. Haruko and Fuyuko told me that they had enjoyed Japanese arts films in Britain more than when they had been in Japan. Some emphasised their Japanese looks by growing their black hair very long and outlining their eyes with black eyeliner. They seemed to be more Japanese outside Japan than when they had been in Japan. Although most of them still kept their Japanese nationality, Chizu told me how she had felt when she changed her nationality to British:

Until I got British nationality, I was Japanese. Since I got British nationality, I have been British. Now I can use my British passport all over the world. If something happened I would be treated as British. I need no work permit to work. But I did not think about my nationality for these reasons... In fact, I do not feel that I am either British or Japanese. I feel I am different. Probably, if people live overseas for many years, they feel like this, I think. My way of thinking has changed. Even when I was in Japan before I came to Britain, I did not feel that I was Japanese. Since I came to a foreign country, I felt the foreign way of thinking was more suited to me. And when I went back to Japan I met many obstacles. I felt discontented with my family and relatives' ideas.<sup>54</sup>

She gained British nationality and she thought she did not feel Japanese, but she still uses the word 'foreign' country, when she talks about Britain. Fuyuko, who had married a French man, also thought that she was neither Japanese nor European:

I am not Japanese nor European. I am in the middle, but I feel I like the Europeans more, because the Japanese lack humour. My husband is French, and we enjoy joking from morning till night. Japanese male managers cannot understand joking. My joking is sometimes received seriously by the Japanese managers and I am misunderstood, then I feel I may be a European.<sup>55</sup>

These locally-hired Japanese women who hated to stay in Japan, had the contradictory feeling that they did not want to return to Japan, but that they were lonely in Britain. They were living as Japanese in the country they had once admired. Yet, they were marginalised both by the Japanese and the British community, though they talked about plural values which they had gained through their lives in Britain. In addition, they had missed out on the economic prosperity of Japan since the 1970s. Although material lives are not important for everybody, they might have had a better standard of living if they had returned and followed a conventional lifestyle.

### **Construction, deconstruction and reconstruction of identities**

Are they ‘cosmopolitans’ in the globalising period, or ‘locals’ who are still tied to a vernacular value system? Are they people who are trapped between cultures haunted by the idea that Japan is like a ‘dystopia’, or are they people who live freely without being bound to one national culture? It was certainly true that they were ‘cosmopolitans’ in the sense that they had plural values derived from both Japanese and British, although their financial situation did not allow them to move freely like the Japanese male managers who could travel and enjoy tourism. These women had less fixed identities than Japanese men. The women’s ideas of work were based more on speciality and they had less loyalty to their companies than both the male and female managers sent from Japan. However, these women were still living as Japanese on the periphery of the Japanese expatriate community in London. They were regarded as Japanese by British society and its people. Therefore, they had to work out strategies as Japanese: they emphasised their appearance as Japanese women; they worked as Japanese. They had had to learn that they were not competitive with the British as workers. They socialised with few British friends, nor did they socialise with Japanese expatriates. They had constructed their identities as marginalised people from the two groups.

They had not foreseen their present situation when they left Japan. They had had images of an advanced Britain, that they had constructed during their socialising in Japan. When they had first come to Britain, they reconstructed and emphasised their images of a feudalistic and male-dominated Japan through their ‘travellers’ gaze’ in Britain. They held the popular images of ‘the progressive West’ where individuals can have freedom, and ‘oppressive Japanese society’ where women cannot fulfil themselves. When they had found themselves in emotional crises, the contrast had become, according to their imaginations, like a dichotomy between ‘utopia versus dystopia’. Thus, their resistance to the Japanese male world was expressed through their refusal to return to Japan, through their glimpse of Britain and through constructed visions of opportunities to live here as free women. They dreamed of new-

born lives and new identities, even though they worked in Japanese companies as marginalised workers. The fantasy gave them the energy to escape from their homeland and to live and to work in another culture.<sup>36</sup>

As we have seen, their illusions had collapsed before many years passed. Both in their private and working lives, their only choice was to live as Japanese women pretending to adhere to the Japanese men's images and the British images of them. They could not break away from these images. They were unreliable workers in the eyes of Japanese from Japan. They were weak and vulnerable women from the British point of views. The only way they could survive was to pretend to fit into the image and to work and live within these images. Those who could not bear the images left their companies in silence.

They had found they had not got rid of the structure of Japanese society so long as they remained in Japanese companies. They never gained the same positions as Japanese delegates who were from better families and educational backgrounds, and were mainly men. For those who moved to Western companies, the environment was more severe. As a result, like those Japanese businessmen who constructed the idea of 'unique Japaneseness', those women constructed that of the superiority of being Japanese. For they had to compete with local people both for work and in their private lives, as Japanese women. However, once they began to think about their future, because they had lost pensions, insurance and family support in Japan, and because the cost of living in Japan was higher, they encountered difficulties in going back to their homeland. Then, again, they constructed images of the unbearable oppressive Japanese society. And they denied being Japanese, and expressed themselves as neither Japanese nor British (or European).

Their floating identities were between imaginary spaces and between times. They continually constructed, deconstructed, and reconstructed their own identities, and their images of society. For some of them, their 'imaginary Japan' was that of 20 years ago. They had kept and referred to the unchanging image of Japan through time. It could be said that if they had been able to go back to Japan with the possibility of finding a job, or with some support from the government, they might have said that they would like to return. Yet, surprisingly, they continually maintained that they hated Japan, and that Japan was not a country where women could live. Their imaginary Japan haunted them repeatedly.

Even the younger generation, who had a freer choice, still thought that Japan was a difficult society for women. Yet, they still regard Europe through Japanese images of Europe. Mami talked about her images of Britain and Europe, but I found that her images of Britain and the West had not changed much:

I think it is good to work in Britain. I only miss my family. I can see the satellite TV from Japan, and I like to see Western culture through Japanese eyes. I like Europe, especially, the Continent which the

Japanese are constructing. I feel as if the Continent were far away from Britain. To sum up, I feel the Eurasian continent, which is between Britain and Japan, is narrower than the Channel between Britain and the Continent. I liked France when I was in Japan. I could gain information about France in Japan. I could watch the news programmes from France through satellite TV. *Marie Claire* sold in Japan provided us with lots of information on France, but *Marie Claire* in Britain rarely talks about France. In Tokyo, I can see the cinema from France, Turkey, Czechoslovakia, and such minor countries more easily, but it is difficult to see such cinema in London. I feel the Continent is far away from Britain, though the real distance is nearer. I think the British are not interested in the Continent. I think we can gain more information from Tokyo.<sup>57</sup>

Here, we can clearly see an imaginary map of the world in her mind. In addition we can notice that living in another culture did not necessarily mean gaining another map of the world. Different maps of the world are possible, just as the centre of the world in maps sold in Japan is not Europe, but Japan.

The attempts of these women to go beyond the structure and to cut through Western cultural hegemony did not seem to be successful. They seemed to be suffering from their marginal position. What can we understand from this? Is it impossible to go beyond cultural boundaries to escape from the structure? It seems to me that the structure was constructed through their previous and current images. Unless they had created their identities beyond the structures prevailing in both Japan and in Britain, they would remain in marginalised positions. In this sense, they might still be 'the locals' who were floating between cultures, repeatedly constructing images of Japan and the West. However, they certainly challenged the prevalent stories of their own society and of the West, though they were now neither 'Japanese' nor 'British'. Reiko was now trying to be a painter who could sell paintings of Western images to Japanese delegates. She recalled:

I experienced a hard time in the English environment in the American bank, but my satisfaction from my work was greater. I think the sense of satisfaction was slightly bigger than the hardship. If I had stayed in a Japanese bank, I would not have been given any opportunities. Japanese banks have their own system. Banking business in Japan is still male work, especially the securities business. Only exceptional Japanese women, who have special connections with Western customers, might have the opportunity to find good jobs, but Japanese banks may refuse even such women....<sup>58</sup>

Again, we could hear stories of Japanese society as dystopia. Have they gained free space in their minds being in between cultures? Although cultural identities of origin were strong, when they gave up the idea of promotions within companies, and accepted that they were neither Japanese nor British in their life course, we can see that they had found some strengths:

If I look back now, I realise that Japanese women are stronger, and more flexible and more able to adjust to another culture.<sup>59</sup>

This chapter has focused on the cultural identities of locally hired Japanese women in the financial firms. Unlike the dominant stories of Japanese male managers of ‘Japaneseness’, these women had tried to escape from Japanese society, and had wanted to find new identities in another culture. As for the question about whether they had gained ‘new identities’ and whether or not they were free nomads who were free from only one particular value system, the answer seems to be ambivalent.

On the one hand, their attempt to gain new identities had seemed to be unsuccessful, since they were isolated both from the Japanese community and from British society. In their stories, their location of themselves had swung between cultures. They had left Japan with feelings of crisis, and soon after coming to Britain had been full of dreams of gaining new lives. However, after experiences of hardships both in their working and in their private lives, and isolation from both cultures, they sometimes regretted their decision to stay in Britain. At the same time, they tried to re-evaluate their decision as correct since Japan, in their eyes, was still an unbearable place, even though their image of Japan was, in fact, that of 20 or 30 years ago. Since they did not live in Japan now, their images of Japan were imaginary, and since they did not mix fully with British people, their images of Britain were also imaginary. Their identities were floating between two cultures which they had constructed in their minds.

On the other hand, they had experienced another culture, and they had tried to find better lives as far as was possible. They had never been women who were obedient and passive, since they had tried to change the reality in which they found themselves. Although they still held strong cultural identities as Japanese; for example, the Japanese work ethic, or the ideology of femininity, they had also gained other discourses, for example, skills and qualifications for work, the enjoyment of personal lives, living without ties to family or relatives, and so on. In this sense they had absorbed plural values. They might have missed the economic prosperity of Japan since the 1970s, and they were as a group at the bottom of the companies. However, as Reiko said, their satisfaction with their projects might still be slightly greater than the hardships of being in another culture. We can see a different identity from that talked about by Japanese expatriate managers.

## Notes

- 1 Concerning the uniqueness of Japanese culture, see Chapter 1.
- 2 In the study of contemporary migration, Japan is considered to be a host country for migrants from other Asian countries. Stephen Castles and Mark J. Miller, *The Age of Migration*, 1993, pp. 159–60.
- 3 Machiko Sato, *Shin Kaigai Teijū Jidai—Australia no Nihonjin (The New Era of Migration—the Japanese in Australia)*, 1993.
- 4 The migration of Japanese has a long history. Since the Meiji Restoration in the 19th century, the Japanese have had a long history of migration to California. After the Japanese invasion of North China, Japanese farmers immigrated to North China. After the Second World War, Japanese agricultural labourers emigrated to South America and California. As for this old type of migration, Yoshimi Ishikawa described the hardships well in his autobiographical novel. Yoshimi Ishikawa, *Strawberry Road*, 1992.  
In contrast with those migrations for better economic opportunity, Japanese migrants after the economic recovery in the 1970s sought individual opportunity. See Machiko Sato, *Shin Kaigai Teijū Jidai -Australia no Nihonjin (The New Era of Migration—the Japanese in Australia)*, 1993.
- 5 Rina Benmayor and Andor Skotnes pointed out that between one-half to two-thirds of migrants between the South and the North, the East and the West were women and children. On this point, the pattern of Japanese migration may not be special. See, Rina Benmayor and Andor Skotnes, eds, *Migration and Identity*, 1994, p. 2. The feminisation of migration is also pointed out in Stephen Castles and Mark J. Miller, *The Age of Migration*, 1993, pp. 8–9.
- 6 Before this change, Japanese travellers were able to take 500 dollars at the most.
- 7 In historical studies of immigrants to Britain, Asian and black immigrants have been studied less than Irish or Jewish immigrants, but there has been nothing about Japanese immigrants to Britain. See Colin G. Pooley and Ian D. Whyte, eds, *Migrants, Emigrants and Immigrants: A Social History of Migration*, 1991.
- 8 Ulf Hannerz, ‘Cosmopolitans and Locals in World Culture’, in Mike Featherstone, ed, *Global Culture: Nationalism, Globalization and Modernity*, 1990, pp. 237–51.
- 9 Anthony Cohen, ed, *Belonging: Identity and Social Organization in British Rural Cultures*, 1982.
- 10 Stuart Hall, ‘The Question of Cultural Identity’, in Stuart Hall, David Held and Tony McGrew, eds, *Modernity and Its Futures*, 1992, pp. 274–80; Stuart Hall, ‘Old and New Identities, Old and New Ethnicities’, in Anthony D. King, ed, *Culture, Globalization and the World-System: Contemporary Conditions for the Representation of Identity*, 1991, pp. 42–68.
- 11 Illusions and disillusion experienced by migrants have also been mentioned in studies of Caribbean migrants to Britain. See, Winston James, ‘Migration, Racism and Identity: The Caribbean Experience in Britain’, *New Left Review*, no. 193, July, 1992, pp. 15–55.
- 12 In accordance with The Immigration Act 1971, Japanese banks applied for work permits for these women, and after working for four years they were allowed to apply for permanent residence. However, only two single women gained permanent residence in this way; others gained permanent residence through marriage.
- 13 As for nationality, some said to me that most of these women still kept Japanese passports.
- 14 Interview 3, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.

- 15 *Ibid.*
- 16 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 17 Interview 51, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1994.
- 18 Interview 50, with a locally hired Japanese woman (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 19 Their feelings towards their families can be contrasted with those of Japanese female managers sent from Tokyo, which we looked at in Chapter 4, who were well supported, encouraged, and protected by their families. This could be seen as evidence of the class system in Japan.
- 20 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 21 Interview 20, with a locally hired Japanese woman (at a securities company), in her 30s, interviewed in London in 1992.
- 22 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 23 Interview 3, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 24 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 25 *Ibid.*
- 26 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 27 *Ibid.*
- 28 Thomas Hylland Eriksen, *Ethnicity and Nationalism: Anthropological Perspectives*, 1993, pp. 19–20.
- 29 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 30 The ideas about mistakes in clerical work are different between Japanese banks and those in Britain, according to Japanese managers. The Japanese believe that there should be no mistakes at all in clerical work. This often caused problems between the Japanese and the British staff. See Chapter 3.
- 31 Interview 3, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 32 Interview 51, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1994.
- 33 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 34 These women tried to gain certificates in English. Most passed the First Certificate which is considered necessary for working using the English language. However, only Megumi and Aiko, who had been English teachers in secondary school in Japan, among the interviewees passed the Proficiency examination, which means that holders can teach English in a foreign country.
- 35 Both are qualifications which can be gained while bank staff are working for banks. If they gain them, clerical staff can become managers. Yet, Mitsue's qualification was not taken into consideration in a Japanese city bank she first worked for. After she moved to a securities house, her qualification was more useful. As we saw in Chapter 2, work culture in securities houses was less hierarchical.
- 36 Interview 59, with a locally hired Japanese woman (at a securities company), in her 40s, interviewed in London in 1994.

- 37 Mr Chiba mentioned that gaining an MBA did not mean a better position within companies. See Chapter 5.
- 38 Interview 50, with a locally hired Japanese woman (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 39 Interview 45, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 40 Interview 51, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1994.
- 41 Interview 3, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 42 *Ibid.*
- 43 Interview 45, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 44 *Ibid.*
- 45 *Ibid.*
- 46 Interview 64, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 47 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 48 Interview 20, with a locally hired Japanese woman (at a securities company), in her 30s, interviewed in London in 1992.
- 49 It is often said that although the position of women is low in Japanese society, they can control the whole family budget. See, Norman Stockman, Norman Bonney and Sheng Xuewen, *Women's Work in East and West*, 1995.
- 50 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 51 Interview 59, with a locally hired Japanese woman (at a securities company), in her 40s, interviewed in London in 1994.
- 52 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 53 Interview 14, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1992.
- 54 Interview 15, with a locally hired Japanese woman (at a subsidiary company of a bank), in her 40s, interviewed in London in 1992.
- 55 Interview 13, with a locally hired Japanese woman (at a branch of a bank), in her 50s, interviewed in London in 1992.
- 56 The life stories of these women demonstrate an example of how constructed gaze changes their reality. See John Urry, *The Tourist Gaze: Leisure and Travel in Contemporary Societies*, 1990.
- 57 Interview 50, with a locally hired Japanese woman (at a branch of a bank), in her 20s, interviewed in London in 1994.
- 58 Interview 45, with a locally hired Japanese woman (at a branch of a bank), in her 40s, interviewed in London in 1994.
- 59 *Ibid.*

## CONCLUSION

Possibilities of new cultural identities  
in transnational working experiences

The past three decades have seen the expansion of Japanese financial institutions in the City of London and their subsequent withdrawal. Since the abolition of fixed exchange rates for the yen in the early 1970s, Japanese bankers and financiers have needed to develop international business to support Japanese factories built abroad, and to take part in internationally-syndicated loans. In Europe, especially, Japanese financiers began to raise capital in newly-emerged Euro-dollar markets. After the Plaza Agreement in 1985, which resulted in the rapid appreciation of the yen, they began to invest their excess capital, spiritedly joining new financial businesses with which they were not familiar.

They began to learn about the ways in which Anglo-American or European banks do business in order to prepare for the deregulation of the Tokyo market. As a result, as I have described, almost all Japanese financial institutions including small regional banks and small securities houses opened branches and established subsidiaries in London in the late 1980s. *Gosou sendan houshiki* resulted in these banks and other financial firms coming to London almost simultaneously, once the Ministry of Finance declared that the era of international banking had arrived. In the initial stage of the late 1980s, the presence of Japanese bankers in London was looked upon as an indication of the new economic partnership that was growing up between Britain and Japan.<sup>1</sup> However, as I have illustrated, these Japanese bankers ended up acting in unity since the market was unfamiliar to them and they encountered barriers in entering the world of international finance. As some Japanese bankers explained in the interviews, Japanese financiers were judged solely in terms of the value of their assets, and not for their skills or knowledge in business. It was thus not easy for them to become full participating members of the City. In addition, Japanese business practices were criticised on the ground that Japanese banks lent their assets at low rates of interest. The defence of Japanese bankers was that they sought to establish long-term relationships by offering low interest on the assumption that it would eventually be more profitable for them than seeking short-term profits. Larger-scale lending with low interest rates was their way of breaking into a new market. However, as

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we have seen in Chapter 2, this tactic led to the implementation of the BIS regulation, which restricted the total lending of Japanese banks.

Emmott and Düser have both pointed out that the failure—or at least limited success—of Japanese banks in the City was aggravated by their reluctance to make use of the knowledge and skills of their local staff, and that they preferred to do business with Japanese company groups even in Europe. They also argue that if Japanese banks had wanted to globalise they would have had to have given more responsibility to local staff who were more familiar with markets in Europe,<sup>2</sup> yet Japanese financial institutions continued to make all decisions at head office. As I have illustrated in previous chapters, Japanese bankers' ideas about management procedures and the way to conduct business were different from those of local staff, and since the Japanese wanted to be in control of their new operations, the ideas of local staff were not welcomed. However, we should at the same time recognise that Japanese bankers were not just content to work with other Japanese in the City. Rather, they genuinely wanted to enter the core of the City of London. They joined the local golf clubs, sent their children to boarding schools, and attempted in various ways to understand British culture. For their part, then, they have made great efforts to contribute as members to City business culture. It is important to recognise such contributions.

Despite their efforts, Japanese financiers have had to accept that they were not as successful in business as they had expected they might be. Japanese banks now have debts that they have to face openly and be bailed out of. The financiers have witnessed the collapse of Takushoku Bank and Yamaichi Securities in 1997. The Japanese government began to inject public funding to the Long-Term Credit Bank and Nippon Credit Bank and nationalised the two banks in 1998. Following investment failures, many Japanese banks are now closing their overseas branches. In retrospect, the strong yen and accompanying economic successes of the late 1980s take on a dream-like quality. Joining a bank was once considered to be among the most prestigious career paths for ambitious young graduates of the best Japanese universities, but nowadays little of the formerly perceived security remains. Bankers' salaries may no longer rank with the highest among Japanese company men and women. In addition, the myth that the Japanese financial convoy system steels banks against collapse is no longer credible. The story circulated during the period of Japan's high growth, that bureaucrats and corporate groups organise the whole economic system in order to develop the Japanese economy, is now being challenged. The whole story of the post-war Japanese economy is now being questioned, both outside and inside Japan.

My work has not set out to examine the finance business under an economist's microscope but, rather, has looked at the lives and careers of people who work, or have worked, for Japanese banks in the City of London since the 1970s. The ensuing narratives have been interpreted and analysed. As I have demonstrated in previous chapters, their memories of this period

tell us how it was difficult for the Japanese and British, or their European staff to communicate with one other in their everyday working lives. As one British male manager recalled, the organisation for which he worked was divided into two: one for Japanese, and another for local staff. There were two types of business: business with the Japanese, and another with the international markets. There were also two types of management: one for Japanese; and another for local staff. The lack of true communication between the two groups created segregation within the organisation. This study revealed some of the reasons why it was that within companies the Japanese controlled the management, but outside the company structure they felt isolated from the international business community.

The debates about Japanese transnational companies have previously been based on comparative studies informed by notions of East and West ‘difference’. In the studies of the financial sector, especially, financial systems have been discussed as the key to understanding the variations between the organisational structures of different nations. The Japanese banking system has been evaluated as a support system for the Japanese manufacturing industry in the post-war period. The system was characterised by the strong lead given by the Ministry of Finance and Ministry of International Trading and Industry and through the main banking system supplying stable capital to companies within corporate groups. This cooperation between the government, banks and corporate groups was known as ‘the convoy system’, and was thought to be one of the secrets of the success of the post-war Japanese economy. In the convoy system, limited capital was carefully delivered to key industries. However, this paradigm no longer seems applicable to the study of Japanese overseas financial companies.

The so-called Japanese management system, which is chiefly characterised by seniority structure and lifetime employment, was considered to be the advantage of the Japanese economy, but that too is now in question. As a result of globalisation in the economic sphere together with de-industrialisation, these kinds of national business systems are now undergoing restructuring and the ties within a corporate group are weakening. Now, more than ever, it is important to examine the globalisation process and how transnational businesses interact with their host countries rather than examining the characteristics of business systems in each country as though they operated as discrete units. The present study of narratives about the so-called Japanese system is part of this re-evaluation process.

Such comparative studies are usually based on a discussion of ‘essential’ differences rather than looking at similarities, and they tend to focus on finding alternative models for the West to adopt—which sometimes degenerates into the mystification of ‘others’. The Japanese economy and its rapid growth in the post-war period supported such views. The Thatcher government wanted to examine working attitudes in British society, and discussions on the Japanese system and its work culture provided such an opportunity.

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Accordingly, as we have seen in previous chapters, it is necessary to take into account the globalisation of the present economy. The flow of money is huge and rapid, and increasingly transnational companies and the deregulation of national economic systems require perspectives from which to analyse these companies. It is necessary to look at multinational organisations in the context of global climates of change.

The alternative, which this book offers, is an interpretation of ‘languages’ which were spoken by both Japanese and British within and around the Japanese finance business community. Language often does not represent reality, but it still illustrates how people perceive the reality of their situation. Narratives were examined in order to shed light on what people thought of their lives and work. What they talked about was business, management systems, various work practices, communication difficulties in a second language, gender relations, and how they saw themselves in the world at a particular moment in time. This book is an interpretation of these narratives. The experiences of people in the Japanese financial community have been analysed from various points of view, especially for the light that these experiences can shed on cultural identities. Furthermore, this book has offered an analysis from an alternative viewpoint—a viewpoint existing in between the two respective nations. The personal histories we have looked at were told by both Japanese and British in their own language, and the interviewer moved between countries during the research process. The underlying objective of this book is to offer a ‘global’ interpretation of the lives of Japanese bankers and the people around them, not a purely British or Japanese interpretation.

During the course of this research, I have made several findings about Japanese bankers. First of all, it has become clear that Japanese bankers are still on a steep learning curve in their understanding of international finance. Despite technology and the computerisation of finance, the transfer of important information still relies on face-to-face human relations based on mutual trust. Japanese bankers were isolated from such information and were also behind in their business. Even their best efforts could not bridge all the gaps sufficiently. Japanese expatriate managers were sent to London for a while, usually three to five years, after which they returned to head offices in Japan. The more successful the bank manager, the shorter the time he would remain overseas. On the whole, a spell in London was only one stage in their generalist career path. They had a limited time available in which to deepen their understanding of the various types of business in the City which, moreover, change quickly. There were exceptions: some Japanese bank managers, known as the ‘international’ group (or *kokusaiha*), remained overseas longer than those managers whose careers had been developed mainly within Japan, known as the ‘domestic’ group (or *kokumaiha*). However, the ‘international’ group were less powerful than the ‘domestic’ group at head office. It therefore proved difficult to introduce the change in the Japanese global management systems of Japanese finance companies from London or other overseas branches.

Another difficulty faced by management in Japanese transnational banks came from what we perceived to be class differences between Japanese bank staff and local employees. Japanese bank staff were, until recently, recruited from high achievers from prestigious universities, as a career in banking was considered to be highly desirable. Their family backgrounds tended to be correspondingly privileged. They therefore tended to have a strong sense of being part of an élite, of being at the core of the company. As previous chapters demonstrate, this sense of being at the core discouraged them from delegating responsibilities to the local staff and to women. Their sense of rank was extremely strong and they did not hide the satisfaction they derived from their working lives and their pride in the efforts they had made for the company.

'Different' working practices and the lack of communication were talked of as reasons for the segregation between the two groups. However, as Japanese managers did not expect exactly the same standard of work from their local staff, different working practices were talked of as evidence of the superiority of each group. The narratives clearly illustrate that there was emotional competition between the two groups, and that work practices and the use of language figured largely in this competition. For example, Japanese employees were proud of their long working hours, loyalty to the company, and the bottom-up decision-making, while the British staff criticised them for inefficient long working hours and slow decision-making. The use of the English language was also at issue when people spoke about their abilities at work. For the Japanese, using English made them feel that they were not as sophisticated as when they used their own language. Almost all senior Japanese managers expressed bitterness when they spoke about language. They sometimes used the Japanese language among themselves, and this made local staff feel excluded. The local staff claimed that they could work better because of their use of English, but they wondered why they were not promoted over their Japanese counterparts who did not speak such sophisticated English. Thus, language tended to be viewed as an indicator of personal ability rather than being discussed as a source of difficulties in communication.

The peculiarity is that a number of levels of hegemony appear to exist in these companies, in terms of economy and culture. Japanese companies in the West seem to have unusual power relationships within which the Japanese have economic power, but their local staff do not feel inferior to their employers in terms of cultural hegemony. The oral testimonies discussed in this book illustrate that there is competition between the Japanese and British managers over universality and locality in work ethics, in work practices, in way of life, and in the use of the two languages. It could be argued that in these Japanese companies there is confusion in the East and West power dynamics. We are witnessing a transformation in which we cannot discern the global from the local. Power becomes a function of situation inside or outside the organisation, rather than being permanently located in certain individuals.

## CONCLUSION

The most important focus in this book has been the examination of the cultural identities of the transnational business people. The cultural identities of minorities in multicultural society are often examined, but those of business people, who often express the dominant ideology of the society to which they belong, have been under-researched. However, it is worth studying cultural identities of people at the core of society as well as at the periphery, since their self-perception will help to explain cultural construction, which legitimises their being at the centre. This construct of masculinity offers fertile ground for an exploration of patriarchy. When these élitist men spoke about their business and working lives, they were in fact expressing their cultural identity very strongly. It was clear that the conduct of business in this period of globalisation was very much bound to cultural identity. Furthermore, it has become apparent that cultural identity is a decisive factor when we examine cross-cultural business situations.

Unexpectedly, the interviewees, both British and Japanese, talked more about culture than business *per se*. I recognise that business and culture cannot be analysed separately, and that business is a cultural activity in itself. International financial business may be viewed as one of the most rational and unemotional activities, but it is very much an emotional and irrational, and, in short, a human matter. Both Japanese bank managers and their local employees emphasised their own cultural locations in relation to their multicultural environment. They talked about the finance business, management problems, gender relations and history and the world, but they also talked about themselves: who they were, where they belonged. Almost all of them talked vividly about their life stories and the world they imagined. While they talked about their working lives, they constructed their definition of what culture consists of, and how the world should be. This research gained a great deal from such candid revelations.

It should be noted that both Japanese and British male managers talked about their cultural identity as that of an ethnic group, but their notions of ethnicity and culture were not shared by women or people in lower positions in companies. As this book has demonstrated, dominant people are more loquacious about their ethnic identity, whereas less powerful people tended to be reticent about their ethnicity or culture. The ethnic identities of both cultural groups were decisive factors for the international businesses in which they were involved. Cultural identities were talked of as if they were homogeneous within an ethnic group, but in fact, as we have seen, their identities were actually more fragmented than was represented in their stories. Furthermore, it was clear that identities were never fixed, but rather changing and ongoing. As Chapters 6 and 7 demonstrate, when these business people move between nations, they change their locations between cultures. Even the most stable 'domestic' male managers tended to look at things differently once outside Japan, finding themselves to be living in between two sets of cultural values, or between two cores of their imaginary world maps. Japanese

male managers noticed the distances between the cores, but tended to adhere to the core of Japan rather than the alternative. Since they were life-time employees of prestigious working places, they needed to follow the values of their group. But in London, the self-confidence they had previously derived from the shared values was contested, and they had a certain degree of uncertainty, despite being among the most stable people I interviewed. Compared to them, Japanese women who migrated to Britain on an individual basis had unfixed identities, floating between East and West in their imaginations. What they talked about was sometimes factually unreliable, but the vulnerabilities of their stories tell us how they were moving backwards and forwards between cultures. The most unstable identity was that of a male Japanese migrant who had decided never to return to Japanese society and its culture, but had nevertheless found himself working for a Japanese company in London. His experiences are graphically narrated in Chapter 6 in terms of 'drowning' between cultures. British staff as well, facing values at work different from those to which they were accustomed, and neglected within the global promotion system in Japanese transnational companies, showed their uncertainty and tried to explain their situations; some with hope, others with pessimism. Yet, they seemed to return to claim the so-called universal values of the West; some expressed their belief a little, others strongly declared it in the interviews.

One aspect of the transnational working experience, which should not be neglected, is the decisive role that gender relationships have on shaping cultural identity. As Chapter 5 illustrated, cross-cultural communication led to the construction of stereotypes of men and women in their own culture and of the 'other'. Men at the centre of each cultural group competed for their images of masculinities and claimed superiority to those of the other group. They also talked about images of femininities of women with reference to the women they emotionally possessed in their own group compared to those of the other group. It was meaningless to compare the status of women, as facts, between British and Japanese society on the evidence provided by the narratives of the cross-cultural world. British staff were proud of the progressiveness of gender relationships in their culture, but the Japanese defended their ideology of gender relationships as an alternative model. This book argues for the importance of examining gender relationships, especially the process of constructing narratives of gender identities in cross-cultural contexts.

The merit of examining the cultural identity of Japanese bankers in London rather than examining the economic process is thus clear. First of all, as I have already mentioned, business and culture could not be examined separately. 'Global' finance business was strongly tied to 'local' business cultures. Second, examining the previous chapters, we have reached an understanding that Japanese managers, who were from a country outside the West, had a strong sense of being outside of the 'West', and this sense led

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them to construct languages of 'Japaneseness'. Despite the fact that Japanese was perceived as unique, it was criticised as a form of 'cultural nationalism' in Yoshino's work;<sup>3</sup> their language is not unique, but part of a pattern of the expression of 'cultural identity' like other non-Westerners living in a Western society. Yet, the language would not have been expressed without being viewed as uniquely Japanese. The Japaneseness is in fact a relational identity with the West, with women, and with people on the periphery in society. It is necessary to look at the business they were involved in with the relation to such an identity formation. Otherwise, it would be impossible to analyse the business activities.

The question still remains as to the possibility exists of creating new identities for the Japanese, especially business leaders, and their partners in host countries. How could this aim be realised? Or is it unrealistic for Japanese business people to construct new identities? People's accounts of communication within Japanese transnational workplaces are generally not positive. Despite appearances of open-floor offices, people's accounts of their working lives did not reflect the intermingling of Japanese and British at the workplace or the development of a hybrid culture, but rather suggested segregation and misunderstandings. We have examined how 'essentialist' discourses about differences in work and life are dominant in the workplace. The language of essential cultural difference, in reality, constructs segregation. We can argue that the language of essentialism is an underlying reason why people working on the front lines of international business have not yet been able to create a 'third space', but in the face of the existence of dual cultures inside companies supported by different groups who do not mix well, possessing different ideas and different ways of work and life. Although the world is 'globalised' and more ordinary people now have the opportunity to meet one another, the essentialist language of difference still prevails in everyday working lives. Inside Japanese financial institutions, difficulties in communication created disappointment and distrust among workers, especially for those who attempted to surpass cultural boundaries. One wonders whether it is possible to create hybridity in Japanese transnational working environments; to create identities that do not adhere to one place. The individuals who adhered to the 'local' culture tended to seem emotionally stable, while those who tried to enter the other culture gave an impression of instability. It might be possible to argue that their feelings of anxiety, which were illustrated in Chapters 6 and 7, are evidence of emerging new identities. As Homi Bhabha discussed, there are in such contexts 'always...certain strategic ambivalence and ambiguities, and...those who were oppressed, were actually empowered, by being able to use these ambivalence and ambiguities, instead of representing power as a kind of homogeneous, hegemonic block'.<sup>4</sup> Yet, even if this is so, the emotional price they pay is high.

The experiences of Japanese bank staff can be considered as one stage in the process of Japan's extension of global influence. Their experiences also

form part of a global economy that extends beyond national boundaries. The City of London in the 1980s was one intersection for this flow of people and money. In this context, Japanese business communities can be considered as a diaspora in the West. Rapid globalisation has led to increased mobility of goods and commodities and a world-wide circulation of information which is leading to ordinary people encountering other cultures in their everyday lives, a phenomenon referred to as ‘the global village’. The globalisation is not a new phenomenon—the ‘modern’ world has been expanding and human beings have been interacting between different regions for hundreds of years. The present movement of people is, however, much larger than ever before. The post-modern era is now characterised by two large movements of people and information beyond national boundaries. The narratives expressed by the Japanese in this book demonstrated how they perceived their movement between cultures.

It could be argued that the history of modern Japan has been an informal process of expansion to the core of the world as a latecomer to the global community through trading, exporting products, investing capital, according to the Western model, travelling all over the world and buying goods from everywhere. The Japanese overseas community in London is a part of this expansion. From the 1970s, following the beginning of de-industrialisation in Japan, Japanese banks inevitably had to look for business abroad. I was surprised to find the extent to which I share the stories talked about by the Japanese bank staff. I often realised we had been listening to the same stories at school, at home and through the media. Japanese citizens are working hard, and therefore we can join the world community, and so on. This was one of the themes of post-war education. Bank staff may be considered to be among those who digested such stories well and internalised them as their own thoughts.

Whether Japanese culture is changing is still a moot point. Although the dominant stories told in this book have been about the unchanging nature of Japanese culture and the cultural dissonance between Japanese and British staff, there were some who tried to go beyond cultural boundaries. This is how transcultural movements create new cultural identities. The Japanese are not exceptional, and it is therefore predicted that new cultural identities will appear within the Japanese diaspora. As we have seen, there have emerged new types of managers who stay outside Japan for most of their careers and develop specialist skills. Furthermore, some Japanese move to non-Japanese companies, giving up their generalist careers. More strikingly, there were numerous Japanese women who have sought careers outside Japan. In the City of London such women have developed careers for themselves in finance businesses. These people may still be in a minority in Japanese society, but new types of people are certainly emerging, expressing new identities, emancipated from one fixed value system or from the dominant language of cultural identity. Japanese bankers, who have talked about ‘we Japanese’

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and have continuously talked about ambitious but protective business policies, will face Japanese people with new identities as well as more foreign people coming into Japan. I believe that this change is coming up behind us, although it might not yet have been noticed.

## Notes

- 1 Paul Newall, *Japan and the City of London*, 1996.
- 2 Bill Emmott, *Japan's Global Reach*, 1993; J.Thorsten Düser, *International Strategies of Japanese Banks: The European Perspective*, 1990.
- 3 Kosaku Yoshino, *Cultural Nationalism in Contemporary Japan: A Sociological Enquiry*, 1992.
- 4 Homi Bhabha interviewed by Paul Thompson, 'Between Identities', in Rina Benmayor and Andor Skotnes, eds, *International Yearbook of Oral History and Life Stories, Volume III, Migration and Identities*, 1994, p. 190.

# APPENDIX 1

## Japanese glossary

- dankai no sedai:** the generation of baby-boomers, who were born just after the Second World War when soldiers came back from the war.
- datsua-nyūō:** The principle of modernisation in Japan since the Meiji period, which means getting away from Asian countries and reaching to the level of Western countries.
- fushō-fuzui:** the conventional idea of the relationship between husband and wife; in this way the husband makes decisions and his wife follows them.
- gaiatsu:** pressures from foreign countries.
- gaijin:** a foreigner
- gairaigo:** a word which was originally foreign language but is now being used as a Japanese word.
- gosōendan hōshiki:** the original meaning of the word is an armed convoy system. The word refers to the Japanese banking system in the post-war period. If all banks compete against each other they are vulnerable with regard to foreign banks. Therefore, the Ministry of Finance strongly guide all banks and other financial institutions to ensure they work together to compete against foreign rivals. This system can be compared to an armed convoy for a naval battle.
- hanko:** a seal, which is used for signature.
- Heike:** a family of about one thousand years ago. The *Heike*, *Taira* family, had strong influence in the capital Kyoto. They made their daughters marry emperors and controlled politics through these relationships. However, they were challenged by the *Minamoto* family. The *Heike* had strong connections with noble people in Kyoto. The *Minamoto* family were supported by newly emerging provincial families. In the end the *Heike* were defeated, and most members of the family died in the battles. The *Heike* family indicates the ‘centre’, and the *Minamoto* family indicates the ‘periphery’.
- honno:** one’s real feeling which people do not want to show.
- ishindenshin:** communication without words. Japanese people, especially those from the older generation, often say they can understand each other from heart to heart.

**ippanshoku:** see the *sōgōshoku*

**Japalish:** description of some words used by Japanese with wrong meanings. Japanese are sometimes unaware that the meanings have changed. Japalish causes confusion when Japanese communicate with English-speaking people.

**jogakko:** the girls' secondary school before the Second World War.

**Kabuto-chō:** the centre of the stock exchange in Tokyo.

**kanai:** a person who is inside a house; which means a wife.

**kanban:** a signboard of a company.

**karaoke:** a tape of recorded music without words. People can sing with *karaoke* as if they were with an orchestra. The tape is usually with video, and people can see the words on the screen. It is an entertainment for Japanese company men drinking with colleagues after 5 o'clock.

**karōshi:** death caused by hard work. The relationship between *karōshi* and hard work had not been accepted until recently, but if a worker's death can be proved to be *karōshi*, the family can ask for compensation.

**kaseki:** The original meaning is a fossil, but the word refers to people who achieved a lot when they were young but have become old and are no longer innovative.

**kigyōshūdan:** large corporate group; they were originally the *zaibatsu* group.

**kikokushijo:** Japanese who have experienced education in foreign countries, usually because of their fathers' assignment to work abroad.

**kokunaiha:** (jargon in Japanese financial companies) male key workers in Japanese banks who have mainly worked within Japan.

**kokusaiha:** (jargon in Japanese financial companies) male key workers in Japanese banks who have worked for the international banking business.

**local:** (jargon in Japanese banks) workers in Japanese banks who are employed in London.

**marudome:** (jargon in Japanese banks) Japanese managers who have a strong sense of being Japanese in terms of food, lifestyle, values, language, socialising and so on.

**Meiji:** the period governed by the Meiji Emperor from 1868 to 1912.

**messhibōkō:** a working attitude, devoting one's whole life to work without spending much time for private life.

**Nihonjinron:** discussions on Japaneseness, which claim that Japanese have a fundamentally different culture and mentality.

**otokoshakai:** the male society. In Japan it is often said that all aspects of society are controlled by men.

**ringisho:** a paper which is for decision-making in Japanese companies.

- sankyoku goui:** consensus between the three Bureaux of Ministry of Finance, i.e. the Banking Bureau, the Securities Bureau and the Insurance Bureau.
- sayonara:** a word for greeting. Goodbye.
- seken:** the society to which people belong.
- shin-jinrui:** the new young generation who have different values of life and work. They are considered not to be hard workers and they seek to enjoy their own life.
- shujin:** master, husband.
- sōgōshoku:** a career course aiming at being a manager in large Japanese companies. This course was introduced after the Equal Employment Opportunity Law in 1986. Usually male university graduates are employed as *sōgōshoku* staff, but if women choose *sōgōshoku* as their career course they are treated under the same conditions as male *sōgōshoku* staff in principle. If women choose the *sōgōshoku* career course, they have to move geographically every two or three years and have to work until late at night, like their male counterparts. So women tend to choose *ippanshoku* as their career course, which means they do not need to move geographically. Women who choose *ippanshoku* have to work as women clerical workers in supportive roles.
- sōgō shōsha:** trading companies which deal with all kinds of goods. Mitsui, Mitsubishi, Marubeni and Ito-chu are the big four trading companies. *Sōgō shōsha* is known by its hard work culture.
- tatema:** the opinions which people officially express.
- zaibatsu:** families who monopolised the pre-war Japanese economy in all areas. *Zaibatsu* were dissolved after the Second World War by the Occupation, but they still group according to the original *zaibatsu* groups. Banks now form the core of these groups.
- Yaohan:** a Japanese supermarket store which has developed in Japanese communities abroad.

## APPENDIX 2

### Details of interviewees

All the names in the text have been changed in order to ensure anonymity.

<i>No.</i>	<i>Nationality</i>	<i>Year of birth</i>	<i>Sex</i>	<i>Status (in Japanese firms in London)</i>	<i>Year of work</i>	<i>Place of record</i>	<i>Date of record</i>
1	Japanese	1957	M	Assistant General Manager	1987–	House in London	19 January 1992
2	Japanese	1954	M	Senior Manager	1988–	House in London	15 February 1992
3	Japanese	1945	F	Clerk	?1970s	House in London	15 February 1992
4	Japanese	1946	M	Deputy General Manager	1987–	Office in London	28 February 1992
5	Japanese	1962	F	Senior Manager	1990–	Office in London	28 February 1992
6	Japanese	1951	M	Executive Director	1990–	House in London	28 February 1992
7	Japanese	1948	M	Director	1989–	Office in London	13 March 1992
8	Japanese	1942	M	Managing Director	1988–	House in London	21 March 1992
9	Japanese	1946	M	Joint General Manager	1988–	Office in London	7 April 1992
10	Japanese	1947	M	Deputy Managing Director	1988–	Office in London	10 April 1992
11	Japanese	1962	F	Manager	1990–	Office in London	14 April 1992
12	Japanese	1949	M	Deputy Manager	1987–	Office in London	6 May 1992
13	Japanese to European	1940	F	Assistant Manager	1988–	Office in London	6 May 1992
14	Japanese to British	1951	F	Senior Clerk	1974–	Office in London	7 May 1992
15	Japanese to British	1947	F	Clerk	1990–	Office in London	7 May 1992
16	Japanese	1948	M	Deputy General Manager	1976–82, 1991–	Office in London	7 May 1992

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<i>No.</i>	<i>Nationality</i>	<i>Year of birth</i>	<i>Sex</i>	<i>Status (in Japanese firms in London)</i>	<i>Year of work</i>	<i>Place of record</i>	<i>Date of record</i>
17	Japanese	1958	M	Senior Economist	1987–	Office in London	14 May 1992
18	Japanese	1960	M	Analyst	1989–	Office in London	15 May 1992
19	Japanese	1950	M	Assistant General Manager	1987–	Office in London	19 May 1992
20	Japanese to British	1956	F	Translator	1991–	Tea shop in London	20 May 1992
21	Japanese	1952	M	Deputy Chief Representative	1990–	Office in London	3 June 1992
22	Japanese	1947	M	Joint General Manager	1988–	Office in London	15 June 1992
23	Japanese	1952	M	Deputy General Manager	1989–	Office in London	15 June 1992
24	Japanese	1960	M	Manager	1986–	Office in London	16 June 1992
25	Japanese	1962	M	Assistant Manager	1991–	Office in London	16 June 1992
26	Japanese	1964	F	Assistant Manager	1991–	Office in London	23 June 1992
27	Japanese	1964	M	Trainee	1990–	Office in London	24 June 1992
28	Japanese	1935	M	– (Retired, now working for a British bank)	1989–	Office in London	24 June 1992
29	Japanese	1952	F	Manager	1988–	Office in London	24 June 1992
30	Japanese	1956	F	– (Wife)	–	House in London	29 June 1992
31	Japanese	1966	F	Assistant Manager	1992–	Office in London	20 July 1992
32	British	1949	F	Senior Clerk	1974–	Tea shop near the office	1 March 1994
33	Japanese to British	1949	F	Clerk	1986–	Tea room in London	1 March 1994
34	Japanese	1959	F	Clerk	1985– 1989	House in London	7 March 1994
35	Japanese to British	1959	F	Secretary	1985– 1989	Office in London	10 March 1994
36	British	1951	M	Managing Director	1991–	House in London	12 March 1994
37	British	1964	F	Clerk	1987–	Tea room in London	13 March 1994
38	Japanese	1949	M	Joint General Manager	1990–	Office in London	4 April 1994
39	Japanese	1948	M	Managing Director	1992–	Office in London	April 1994

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<i>No.</i>	<i>Nationality</i>	<i>Year of birth</i>	<i>Sex</i>	<i>Status (in Japanese firms in London)</i>	<i>Year of work</i>	<i>Place of record</i>	<i>Date of record</i>
40	British	–	M	– (City Specialist on Japanese business)	–	Office in London	27 April 1994
41	British	–	M	– (City Specialist on Japanese business)	–	Office in London	27 April 1994
42	British	–	M	– (City Specialist on Japanese business)	–	Office in London	28 April 1994
43	Japanese	1950	M	Research Director	1982–88, 1993–	Office in London	3 May 1994
44	British	1946	M	Joint General Manager	1988–	Office in London	5 May 1994
45	Japanese	cal. mid-1940s	F	Clerk	1973–	House in London	6 May 1994
46	British	1947	M	Executive Director	1986–	Office in London	9 May 1994
47	British	1947	M	General Manager	1989–	Office in London	17 May 1994
48	British	1942	M	Assistant General Manager	1988–	Office in London	23 May 1994
49	Japanese to British	1950	F	– (Wife)	–	House in London	3 June 1994
50	Japanese to British	1964	F	Assistant Researcher	1991–	Office in London	7 June 1994
51	Japanese to British	1940	F	Assistant Manager	1986–	Tea room in London	8 June 1994
52	British	1965	F	Manager	1990–	Office in London	13 June 1994
53	British	1962	M	Assistant General Manager	1990–	Office in London	14 June 1994
54	British	1961	M	Senior Manager	1989–	Office in London	15 June 1994
55	British	1950	M	Senior Manager	1990–	Office in London	16 June 1994
56	British	1959	M	Assistant General Manager	1989–	Office in London	17 June 1994
57	British	–	M	– (City Specialist on Japanese business)	–	Office in London	24 June 1994
58	British	1961	F	Assistant Manager	1990–	Office in London	3 July 1994
59	Japanese	1947	F	Professional Staff	1975–	Tea room London	9 July 1994
60	British	1968	F	Senior Officer	1990–	Office in London	11 July 1994
61	British	1946	F	Assistant Director	1986–	Office in London	12 July 1994
62	British	1966	F	Manager	1990–	Office in London	12 July 1994
63	Japanese	1955	M	Managing Director	1993–	Office in London	15 July 1994

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<i>No.</i>	<i>Nationality</i>	<i>Year of birth</i>	<i>Sex</i>	<i>Status (in Japanese firms in London)</i>	<i>Year of work</i>	<i>Place of record</i>	<i>Date of record</i>
64	Japanese to European	1954	F	Senior Loan Officer	1983–	Office in London	16 July 1994
65	British	1951	M	Double Checker	1975–	Pub	18 July 1994
66	British	1957	F	Officer	1975–	Office in London	25 July 1994
67	British	1956	F	Secretary	1988–	Office in London	25 July 1994
68	British	1955	M	Personnel Manager	1987–	Office in London	26 July 1994
69	Japanese	1964	F	Assistant Manager	early 1990s	Tea room in Tokyo	8 August 1994
70	Japanese	1936	M	– (semi-retired, now, Standing Auditor)	1979–83	Office in Tokyo	9 August 1994
71	Japanese	1933	M	– (semi-retired, now, Advisor)	1956–61 1971–76	Office in Tokyo	10 August 1994
72	Japanese	1936	M	– (retired, now, Representative of an organisation)	1977–80 1985–89	Office in Tokyo	11 August 1994
73	Japanese	1933	M	– (semi-retired, now, Deputy General Manager of a Consultant Company)	1988–92	Tea room in the company in Tokyo	12 August 1994
74	Japanese	1938	M	General Manager	1979–83	Office in Tokyo	13 August 1994
75	British	1964	M	Investment Analyst	1986–90	Office in Tokyo	27 August 1994
76	British	–	M	– (City specialist on Japanese business)	–	Office in London	21 October 1994
77	British	1945	F	Head of Personnel	1990–	Office in London	24 October 1994
78	British	1959	M	Manager	1990–	Office in London	1 November 1994
79	Japanese	1940	M	Executive Director	1984–	Office in London	12 December 1994
80	Japanese	1948	M	Chief Representative	1992–	Office in London	15 December 1994
81	Japanese	1938	M	Managing Director	1970–75	Office in London	2 February 1995
82	British	1955	M	– (City specialist on Japanese business)	–	Office in London	6 February 1995
83	Japanese	1950	M	President	1980–86 1991–	Office in London	10 February 1995

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<i>No.</i>	<i>Nationality</i>	<i>Year of birth</i>	<i>Sex</i>	<i>Status (in Japanese firms in London)</i>	<i>Year of work</i>	<i>Place of record</i>	<i>Date of record</i>
84	Japanese	1941	M	Managing Director	1984–87 1993	Office in London	14 February 1995
85	Japanese	1936	M	Managing Director	1992–	Office in London	15 February 1995
86	Japanese	1944	M	Managing Director	1990–	Office in London	16 February 1995
87	Japanese	1939	M	Managing Director	1968–69 1992	Office in London	17 February 1995
88	Japanese	1939	M	Director	1992–	Office in London	20 February 1995
89	Japanese	1943	M	Director	1972–77 1993–	Office in London	22 February 1995
90	Japanese	1947	M	Chief Representative	1992–	Office in London	22 February 1995
91	Japanese	1944	M	Chairman	1983–88 1993	Office in London	24 February 1995
92	Japanese	1946	M	Chief Representative	?1992–	Office in London	26 February 1995
93	Japanese	1949	M	Managing Director	1992–	Office in London	28 February 1995
94	Japanese	1945	M	Managing Director	1981–85 1990–	Office in London	1 March 1995
95	Japanese	1962	M	Fund Manager	1992–	Office in London	1 March 1995
96	Japanese	1948	M	Managing Director	1980–85 1994–	Office in London	8 March 1995
97	Japanese	1948	M	Managing Director	1994–	Office in London	9 March 1995
98	Japanese	1947	M	Managing Director	1975–76 1981–86 1993–	Office in London	27 March 1995
99	British	1967	F	Assistant	1992– 1994	University	28 March 1995
100	Japanese	1950	F	Deputy Managing Director	1993–	Office in London	4 April 1995

**Interviews without recording**

1	Japanese	in her 50s	F	Clerk	1970s–	Pub	27 May 1992
2	Japanese	in his 50s	M	Managing Director	1993–	Office in London	21 February 1995
3	Japanese	in his 50s	M	Managing Director	?	Office in London	23 February 1995
4	Japanese	in his 50s	M	Managing Director	?	Office in London	24 February 1995

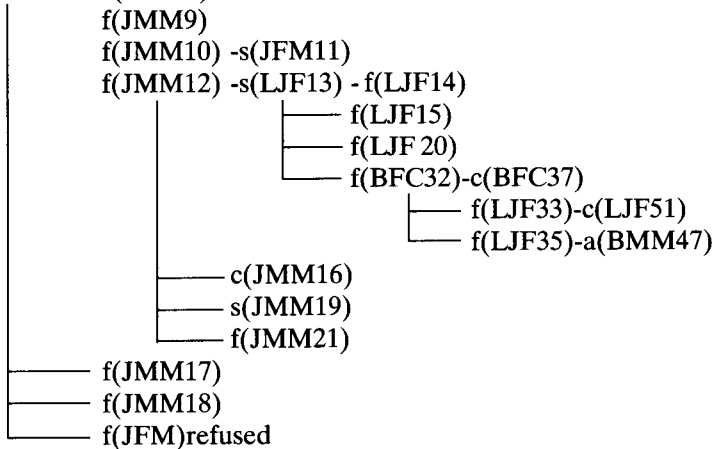
## APPENDIX 3

### Introduction lines for interviews

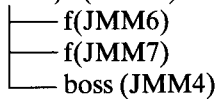
JMM=Japanese male manager; JFM=Japanese female manager; BMM=British male manager; BFM=British female manager; BMC=British male clerk; BFC=British female clerk; LJM=Locally hired Japanese man; LJW=Locally hired Japanese woman; City=Specialists on Japanese business in the City of London.

f=friend, c=colleague, a=acquaintance, b=acquaintance through business, s=subordinate, JSC=a Japanese Studies Centre

#### A a Journalist -f(JMM8)



#### B a friend -cousin(JMM1)-f(JMM2)



#### C a friend -f(LJF3)

D a friend -f(JFM5)  
     └─f(JMM27)

E JSC-supporter(JMM22)-s(JMM23)  
     └─ supporter(JMM38) -f (JMM39)  
         └─ f (JMM43)-s(BMM48)  
             ├─ s(LJW50)  
             ├─ s(BMM44)-b(BMM53)  
             ├─ b(BMM56)  
             ├─ s(BMM54)  
             ├─ s(BMM55)  
             └─ s(BFM52)-c(BFM58)  
                 ├─ c(JFM69)  
                 ├─ b(BMM78)  
                 ├─ b(BFC60)  
                 ├─ b(BFM62)  
                 └─ c(LJF64)  
     └─ student(BMM75)  
     └─ student (BFC99)

F my relative -business acquaintance-b(JFM26)- c(JFM31)  
     ├─ a(JMM28)  
     ├─ b(JFM29)  
     └─ a(Wife)

G English academic-f(BMM36)-f(City40)-s(City41)  
     ├─ f(City42)  
     ├─ friend-s(City57)  
     ├─ friend-s(BMM46)  
     ├─ friend-b(JMM70)  
         ├─ b(JMM72)  
         └─ b(JMM73)

H An acquaintance-friend (LJF34)

I a wife of a Japanese academic-neighbour(JLF45)- f(JLF59)  
     └─ neighbour(Wife)

J Personnel manager's group-(BFM61)-(BMM68)  
     └─ (BFM77)

APPENDIX 3

K a Japanese academic-

a Japanese researcher-ac(LJM79)-b(JMM80)-b(JMM83)

- └── b(JMM84)
- └── b(JMM85)
- └── b(JMM86)
- └── b(JMM87)
- └── b(JMM88)
- └── b(JMM89)
- └── b(JMM90)
- └── b(JMM91)
- └── b(JMM92)
- └── b(JMM93)
- └── b(JMM94)
- └── b(JMM95)
- └── b(JMM96)
- └── b(JMM97)
- └── b(JMM98)-s(JFM100)

L A British academic -ac (JMM 71)-s(JMM74)

- └── b(City76)
- └── b(JMM81)
- └── b(City82)

M Trade Union- (BMC65) -c( BFC66)

- └── c(BFC67)

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