BOOK REVIEWS

The Management Challenge: Japanese Views *by Lester C. Thurow (ed.)*
(The MIT Press, Cambridge, Mass., 1985), pp.xi + 237, ISBN 0-262-20053-8

This book is addressed to those concerned with Japanese economic success, the problems that this raises for the US-Japan relationship and, specifically, the mechanisms and practices in the business management area that are seen to have helped Japan's commercial drive. It is a collection of eleven essays by Japanese experts, introduced by Lester Thurow, and with a brief assessment by him of each essay's relevance to the American economic situation, or as Thurow puts it, for "reblending the American economic mixture".

All the contributors are well-known Japanese businessmen, academics or government experts, but unfortunately a flavour of the "recipe" or "formula" approach to solving national economic problems runs through the book. Thurow is concerned about the relative economic decline of the US and the obviously better performance of the Japanese in the "people management" area, so a substantial part of the volume is therefore devoted to these aspects of Japanese performance.

The most useful chapter for me was that on "Perceptions and Reality of Japanese Industral Relations". It attempts to break down the stereotypical view of Japanese harmony and consensus, and makes the point that style and success are very different matters. Success is based on efforts to construct and maintain effective mechanisms for industrial relations; it is not necessarily culturally bound and its elements are transferable to other countries.

At the same time, other chapters do emphasise the unique Japanese cultural milieu, Japanese morality and the essence of corporate culture in Japan. Productivity, for example, is said to rely on special motivational policies which involve all workers equally in organisations (although clearly that is not the whole story). Thurow rather politely terms this "teamwork (in Japan) versus the individual (in the US)". Most authors avoid these cultural explanations, and the chapters on the firm examine the efforts of the competitive "internal" labour market, product innovation and diversification as a growth strategy (using the example of the Seiko watch-making company), overseas marketing (Mitsubishi Electric) and inter-firm competition. Chapters on the wider economic structure include the financial system, industrial policy, economy planning and macro-economic policy.

Overall the collection is not very satisfying. The contributors are too disparate, the points common to each are not highlighted, the lessons drawn are often tenuous or over-obvious. Rather than a short addendum by Thurow to each chapter, a more substantive conclusion to the book would have been preferable. There is little in the book that is new or exciting, except some information on two specific companies. Okita's lessons on planning (while highly instructive) have appeared elsewhere in more detail, as has the content of Shimada's excellent chapter on industrial relations. Furthermore, the study of "Japanese management" is not advanced very far: the chapters are on the whole too short,

too descriptive and too unco-ordinated. Many areas have been ignored and key areas such as strategy are discussed with little depth. The book calls out for some much more detailed analyses of individual firms' management successes, showing the integration of corporate "culture", labour policies, financial issues, marketing, exporting, strategic planning innovation and the business-government relationship.

One glaring omission is that of the role of technology, research and development and the innovation process. The chapter on the Seiko company (written by its President) talks extensively of its own product innovation strategy designed to meet competition and develop new markets, but he does not explain the process of managing innovation within the firm. Likewise, in the chapter on competition, it is pointed out that industrial groups have co-operated in introducing technology to Japan, but no more is said about it. It is left to Thurow to talk (in passing) about the Japanese experience in the labour-technology interface. At a time when the US is trumpeting warnings of advancing Japanese superiority in information technology, when Japan is enhancing its efforts in basic R & D, when Japan's industrial success has relied so extensively on R & D applications, a study of Japanese management such as this one must deal at length and in detail with these aspects of the Japanese "challenge".

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High Tech America: The What, How, Where and Why of the Sunrise Industries
by Ann Markusen, Peter Hall and Amy Glasmeier.
(Allen and Unwin, Boston, 1986), pp. xviii + 227, Cloth, $75.00, ISBN 0-04-338139-1

The term "high-tech" has been bandied about by politicians, planners, academics, business and labor leaders and the general public since at least the mid-1970s. The authors claim that this book is written for two of these groups: "the academic community, which wants to understand where high tech jobs are being created", and "decision makers who want to know how to attract high tech to their city or state" (p. vii). The primary audience seems to be the latter group, the members of which are encouraged to compete with one another by undertaking the policy recommendations of the last chapter.

Since the term means many things to many people, the necessary first task is to formulate a meaningful, workable definition of "high-tech". A number of definitions used in the past are rejected, and the general criterion adopted for classifying an industry as high tech is whether the proportion of certain technical and professional occupational categories in the industry exceeds the manufacturing average. This is a logical and certainly tractable definition, but the occupational categories chosen (engineers, engineering technicians, computer scientists, life scientists and mathematicians) seem to be arbitrary.

Using these five categories, and the manufacturing average as the cutoff point, apparently gives the authors a list of high tech industries compatible with their *a priori* beliefs. For example, a higher cutoff point was rejected because using the manufactuing average "highlighted industries with innovation potential"