The Formation Process of Mutual-Trust-Based Industrial Relations in Japan: The Logic of Persuasion

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Abstract
This study has examined, through the oral history method, with what kind of language and logic management officers and union officials persuaded negotiating partners and workers into the construction of mutual-trust-based industrial relations, presenting three case studies. The following three points have been revealed. (1) At Ishikawajima Heavy Industries and the NKK Kawasaki Steel Works, labor-management consultation bodies had been established in its’ own thinking, at early stage. On the other hand, the Tokyo Kinzoku Federation promoted a labor-management consultation system based on the basic principles of the Productivity Movement. (2) Ishikawajima Union tried to persuade its members into the construction of co-operative industrial relations, stressing workers’ merits. Personnel and labor management officers at the NKK Kawasaki Steel Works had been sharing their survey data with workers and having discussions with them based on such data on the understanding that scientific data was objective information crucial for constructive discussion. (3) At small and medium-sized companies, not only trade unions but employers were distrustful to the Productivity Movement. Therefore, the Tokyo Kinzoku Federation had to persuade both sides. For that purpose, it provided occasions for education and discussion with regard to productivity improvement and the labor-management consultation system.

Keyword: mutual-trust-based industrial relations, labor-management consultation bodies, Productivity Movement, logic of persuasion, oral history

I. Introduction
One of the pillars of the Japanese-style management after WWII is mutual-trust-based (or, co-operative) industrial relations. The purpose of this study is to trace, through the oral history method, how management and labor in Japan have built up mutual-trust-based industrial relations. Management and labor have opposing interests concerning working conditions (“each side’s share of the pie”). However, co-operative industrial relations are based on the recognition that both management and labor can gain benefit (“growing the pie”) by raising productivity and competitiveness of the company through their collaboration, because by doing so employment maintenance, and improvements in wages and working conditions are made possible along with the company’s profit growth.
Until recently, the following three points have been pointed out as the characteristics of the “Japanese-style employment system” in industrial relations textbooks: lifetime employment, the seniority wage system and company-based unions (for instance, Shirai 1978). As factual investigations have proceeded, however, it has been revealed that lifetime employment is in fact a practice of long-term employment based on an implicit agreement that employees will not be dismissed until the retirement age unless some serious financial crisis occurs. In addition, the seniority wage system is, in practice, a regular pay raise system applied not only to white-collar but also to blue-collar workers (for instance, Yashiro 2014). This system provides incentives for employees to acquire firm specific skills. However, in order for this system to function, mutual trust between management and labor and implicit rules to prop the trust are indispensable (Shimanishi et al. 2012).

In addition, company-based unions consisting of both blue-collar and white-collar workers and mutual-trust-based industrial relations suit each other. At work sites where technological innovations and productivity growth have taken place continually, company-based unions have helped flexible re-deployment, secured long-term employment even for redundant workers and contributed to workers’ skill improvements through a wide range of on-the-job training. Moreover, as exemplified by QC circles’ activities, the Kaizen movement has spread among companies.

Historically, the trade union movement had been very aggressive and bellicose until the early 1950s even in Japan. Then, co-operative industrial relations were formed gradually over the high economic growth period. It was during the period of stable growth after the oil crisis that such industrial relations became prevalent (Kikkawa 1998; Takeda 2004). During the high economic growth period, large-scale employment adjustments were hardly implemented because of business growth and flexible workforce deployment. So, workers formed expectations for long-term employment. In addition, the Nihon Seisansei Honbu (Japan Productivity Center, hereafter) was established in 1955. With its “three productivity principles” – that is, “maintenance and expansion of employment,” “cooperation and consultation between labor and management” and “fair distribution of results” – it promoted the introduction of a labor-management joint consultation system. As Figure 1 indicates, the number of industrial disputes was on an increasing trend until 1974. During the period, there were many cases in which disputes escalated into strike action, or factory closure, lasting more than twelve hours. Sometimes, moreover, large-scale industrial disputes of historical significance such as the Mitsui Miike Dispute broke out.

After the oil crisis, however, the number of industrial disputes began to decline and large-scale disputes ceased to take place. That was a period in which the Japanese economy stagnated, and companies were forced to take employment adjustments including temporary transfer, temporary release from work and hiring freeze. The union side accepted the companies’ wage restraint policy and, in many cases, consented to voluntary retirement programs on the understanding that the high rate of wage increase in the previous period was a factor putting pressure on companies’ financial conditions. Consequently, the employment of regular employees at large-scale companies was ensured and mutual-trust-based industrial relations were reinforced (Takeda 2004).

The above explains the formation process of mutual-trust-based industrial relations. Yet, such cooperation would not have been realized however much trade union leaders wanted it, had they failed to persuade both management and workers (union members) into it. Shimanishi et al. (2012) elucidate the role the Labor Department of the Japan Productivity Center played for the construction of the co-

1 Moriguchi (2013) points out seven factors which characterize the Japanese-style labor management, maintaining that the pre-condition of such elements is “labor-management cooperation.”
operative industrial relations. The Labor Department presented the design of a labor-management consultation system and promoted it from a neutral perspective which laid importance on “scientific” and “empirical” attitudes. To achieve that aim, it prompted communication between management and labor, trying to dispel rank-and-file workers’ concerns about the Seisansei Undō (Productivity Movement, hereafter) through educational activities for union members.

The point to be looked into here is that with what kind of language and logic union leaders and companies’ personnel officers influenced by the Productivity Movement persuaded their negotiation partners and workers. Usually, such kind of information cannot be attained by examining written historical documents. On this subject, however, we have accumulated union leaders’ oral history records. In what follows, the process of union leaders’ and managerial officers’ persuasion during Japan’s high economic growth period aiming for the construction of co-operative industrial relations will be explored by making use of those records.

II. The Japan Productivity Center and the Propagation of Labor-Management Consultation

1. The Japan Productivity Center

This section gives an explanation of the Japan Productivity Center, which exerted influences on the formation of mutual-trust-based industrial relations in Japan. The commencement of the Productivity Movement dates back to 1948 when the Anglo-American Council on Productivity was set up in Britain with a five-year time limit under the Marshall Plan (European Recovery Program) and a number of productivity inspection parties were sent to the United States. Then, European countries affiliated with the Organization for European Economic Cooperation (OEEC), which had also been established under the Marshall Plan, dispatched their inspection parties to the US, and the US sent a large number of engineers to those countries. After a while, the Productivity Centers were set up one after another in those countries, which eventually led to the 1953 establishment of the European Productivity Agency (EPA) (Nihon Seisansei Honbu 1965, 23-24).

As for Japan, the US offered help, when the staff of the American Embassy and executives of the Keizai Dōyüka [Japan Association of Corporate Executives] had a meeting in 1953. Then, the Keizai Dōyüka, together with other economic organizations such as the Keidanren [Federation of Economic Organizations], the Nikkeiren [Japan Federation of Employers' Association] and Nippon Shōkōkaigisho [Japan Chamber of Commerce and Industry], accepted the financial aid from the US and established the Nichibei Seisansei Zōkyō Iinkai (later renamed to Nihon Seisansei Kyōgikai). In March, 1955, the Nihon Sensansei Kyōgikai was developed into the Nihon Seisansei Honbu [Japan Productivity Center] (Nihon Seisansei Honbu 1965, 25-28).

In May of the same year, the Japan Productivity Center announced its three principles regarding the implementation of the Productivity Movement. The first one was “maintenance and expansion of employment.” The Center maintained that productivity growth would lead, in the end, to employment growth and that, at the time of temporary overemployment, measures such as job reallocation should be taken to avoid dismissal as much as possible. The second was “cooperation and consultation between labor and management.” That is, in consideration of actual situations at each company, concrete measures to raise productivity were to be decided by consultation between labor and management. The third was “fair distribution of results.” It was held that whatever would result from increased productivity should be fairly distributed between employers, employees and consumers (Nihon Seisansei Honbu 1965, 31).
The Productivity Movement was different from the pre-war industrial rationalization movements in that the latter lacked workers’ involvement. Although the rationalization movements were organized in many countries, there was no workers’ participation. Whereas, union representatives took part in the Productivity Movement. Basic policies of the Movement were clearly stated as follows: that employers and trade unions should participate in the argument about productivity improvement on an equal footing; and that concrete measures for that purpose be determined by consultation between labor and management (Nihon Seisansei Honbu 1965, 20). The Japan Productivity Center’s main activities were: research, education and promotion concerning productivity improvement and the labor-management consultation system; dispatch of domestic and overseas inspection parties; education of employers and management officers; nurturing of small and medium-sized companies; and promotion of social intercourse between labor and management on a regional or industry sector basis (Nihon Seisansei Honbu 1965).

Although major economic organizations agreed to the establishment of the Japan Productivity Center, the labor camp was divided on this issue. The Sōdōmei [General Federation of Japanese Trade Unions], which was on friendly terms with the Kokusai Jiyū Rōren [International Confederation of Free Trade Unions (ICFTU)], became actively involved in the Productivity Movement after having adopted the “eight principles” in June, 1955, on the understanding that the Movement would bring about better working conditions and higher wages along with employment growth. In addition, the Zen Rō Kaigi [All-Japan Labor Union Congress] also showed a co-operative attitude by defining “five conditions for the Productivity Movement” in July, 1955, and then gradually strengthened its involvement in it. Moreover, some of the politically neutral industrial unions such as the Den Rōren [The Federation of Electric Worker's Unions of Japan] participated in the Movement from its early stages (July, 1965).

On the other hand, the Sōhyō [the General Council of Trade Unions of Japan], which was on friendly terms with the Sekai Rōren [World Federation of Trade Unions (WFTU)], expressed its opposition to the Productivity Movement, maintaining that the Movement would lead to labor intensification, unemployment, real wage decline and so on. Industrial unions affiliated with the Sōhyō also stayed away from the Movement. However, although the Sōhyō as a national center opposed the Productivity Movement, some of its affiliate unions, private-company-based unions in particular, established labor-management consultation councils and started discussions on productivity improvement. In addition, there were also cases in which officials of such unions participated in overseas inspections and gatherings sponsored by the Japan Productivity Center (Nihon Seisansei Honbu 1985, 173).

2. The Establishment of Labor-Management Consultation Bodies

As was mentioned above, the Japan Productivity Center put its effort in the propagation of the labor-management consultation system. The outline of the spread of labor-management consultation bodies is as follows. Table 1 shows proportions of plants with such bodies by company size as to 1972 and 1984. According to the Table, the establishment rates increase in general during the period between 1972 and 1984.
these years. In addition, the percentages are higher among larger companies and companies with trade unions, relative to smaller-sized companies and companies without trade unions. Of course, the Japan Productivity Center’s effort was not the only element that contributed to the expansion of the labor-management consultation system. However, the consultation system introduced to many Japanese companies after the high economic growth period can be thought to have contributed to the formation of co-operative industrial relations.

III. Analytical Method

As was mentioned earlier, this study investigates, through oral history records of both sides, with what kind of language and logic labor and management persuaded each other and workers for the construction of co-operative industrial relations during the high economic growth period. For this purpose, case studies will be conducted regarding both large companies and small and medium-sized companies. As for the former, the cases of the Ishikawajima Heavy Industries and the Nippon Kōkan’s Kawasaki Steel Works are taken up. As for the latter, the case of the Tokyo Kinzoku Rōdō Kumiai [Federation of Metal Industry Workers’ Unions, Tokyo] is handled. In each case study, situations concerning labor-management consultation bodies and relationships with the Productivity Movement are examined first before proceeding to the abovementioned analysis.

Table 2 gives the list of all oral history records used in this study. The interviewees’ profiles are as follows. Kanasugi Hidenobu of the Ishikawajima Heavy Industries Workers’ Union (Ishikawajima Union, hereafter) was born in 1924 and employed by the Ishikawajima Heavy Industries in 1939. From 1948 onwards, he assumed official positions of the Union and was appointed to Chairman of its Central Executive Committee in 1972. Okuda Kenji of the Nippon Kōkan (NKK, hereafter) was born in 1925. He was employed by the NKK in 1949 and assigned to the work of personnel and labor management at the Kawasaki Steel Works. Then, he moved up the career ladder, assuming positions such as Head of the Personnel Section at the Kawasaki Steel Works, Head of the Efficiency Engineering Section at the Kawasaki Steel Works, Deputy Director of the Personnel Department at the NKK Headquarters and Director of the Education Department at the NKK Headquarters. Gotō Tatsuo of the NKK Kawasaki Steel Works Workers’ Union was born in 1924 and employed by the Kawasaki Steel Works in 1951. From 1956 onwards, he assumed official positions of the NKK Kawasaki Steel Works Workers’ Union and the Federation of NKK Steel Workers’ Unions. Tan’no Shōsuke was born in 1924 and employed by the NKK Kawasaki Steel Works in 1946. From 1953 onwards, he assumed official positions of the Council of NKK Steel Workers’ Unions. Hayashi Fujio of the Tokyo Kinzoku Rōdō Kumiai [Federation of Metal Industry Workers’ Unions, Tokyo] (Tokyo Kinzoku Federation, hereafter) was born in 1921 and joined the office of the Sōdōmei [General Federation of Japanese Trade Unions] in 1947. In 1951, he became a member of the Central Executive Committee of the Zen Kin Dōmei [Japan Federation of Metal Industry Workers’ Unions]. Then, after the foundation of the Tokyo Kinzoku Federation in 1953, he assumed key positions in the Federation as its full-time official.
IV. The Persuasion Process for the Construction of Mutual-Trust-Based Industrial Relations

1. The Case of the Ishikawajima Union (the Zen Zōsen [All Japan Shipbuilding Workers' Union] and the Zōsen Jūki Rōren [Japan Federation of Shipbuilding and Heavy Machinery Workers' Unions])

The Ishikawajima Heavy Industries used to be an exemplary shipbuilding company in Japan. Merged with the Harima Zōsensho, it changed its name to the Ishikawajima Harima Jūkō [Ishikawajima Harima Heavy Industries (IHI)] in 1960. In 1964, it merged with the Nagoya Zōsen and constructed its new Yokohama factory. Then, it merged with the Shibaura Kyōdō Kōgyō and the Kure Zōsen in 1967 and 1968, respectively.

Blue-collar factory workers at the Ishikawajima Heavy Industries formed their trade union on the sixth of November, 1945, shortly after the end of WWII. On the other hand, white-collar office workers established their own union on the twenty-second of January, 1946. On the ninth of August of the same year, the two unions were merged into a mixed union comprising both white and blue-collar workers. The Ishikawajima Union affiliated with the Zen Zōsen [All Japan Shipbuilding Workers' Union], an industrial union which did not belong to any national center. The Zen Zōsen was against the Productivity Movement.

After the Red Purge of 1950, two groups within the Ishikawajima Union began to oppose each other: a group comprising those people such as Kanasugi who agreed to the Productivity Movement and aimed for the construction of co-operative industrial relations and a group in support of the Japanese Communist Party and the Leftist Socialist Party of Japan. Judging from the results of Union official elections, neither side was able to keep the majority for a period long enough to consolidate leadership. This situation changed in 1970. After the year, all of the Union’s official positions were occupied by the group supporting the Productivity Movement (The Oral History of Kanasugi Hidenobu, 48-49 and 393). The Ishikawajima Union withdrew from the Zen Zōsen in 1970 and merged with other trade unions including the one at the former Harima Shipbuilding and Engineering in the following year. When the Zōsen Jūki Rōren [Japan Federation of Shipbuilding and Heavy Machinery Workers' Union] was established in February, 1972, the Ishikawajima Union joined the Federation which had been supporting the Productivity Movement.

(1) The Establishment of the Management Consultation Council

A labor-management consultation body was set up at the Ishikawajima Shipbuilding in 1954, which was before the establishment of the Japan Productivity Center. Prior to the establishment of the consultation body, the Ishikawajima Union had often resorted to strike action, as had been the case with many other trade unions at the time, if conditions it had demanded had not been gained through

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3 Although the Zen Zōsen affiliated with a national center, the Chūritsu Rōren [Federation of Independent Union Congress], in 1956, it continued to oppose the Productivity Movement. Thereafter, however, the Zen Zōsen’s membership dropped sharply as company-based unions in support of the Movement withdrew from it one after another. Eventually, the Zen Zōsen affiliated with the Sōhyō [the General Council of Trade Unions of Japan] in 1973.

4 The Zōsen Jūki Rōren was originally an industrial union (a federation of unions in the shipbuilding and heavy industries) comprising company-based unions affiliating with the Zōsen Sōren (under the umbrella of the Sōdōmei) which had been participating in the Productivity Movement and those company-based unions that withdrew from the Zen Zōsen. In terms of national center, the Zōsen Jūki Rōren affiliated with the Dōmei [Japan Confederation of Labor], which had been formed in 1964 by the merger of the Sōdōmei, the Zen Rō Kaigi and others.
collective bargaining. Whereas, Kanasugi’s group was pondering on the idea of labor-management consultation body based on the management council system in Germany. The idea was presented to the management and accepted. The “management consultation council” was thus set up as a negotiation channel different from collective bargaining.

At the Ishikawajima Heavy Industries, issues directly concerned with working conditions were negotiated in collective bargaining, while other managerial issues were discussed at the management consultation council (The Oral History of Kanasugi Hidenobu, 103-105). In this way, subjects of negotiation were differentiated between collective bargaining and the management consultation council. The regular council was held twice a year and special ones were convened whenever necessary. The workers’ representatives at the council comprised about five Ishikawajima Union officials and seven or eight rank-and-file Union members selected at each department. The representatives of the management were President, Vice-president, Director of the Operations Department and Director of the Labor Department. It was the shared understanding that the management should take measures concerning issues discussed at the management consultation council with responsibility. In fact, the management “accepted and acted on Union’s propositions rather positively when the Union had a point (The Oral History of Kanasugi Hidenobu, 104-105).” Moreover, the “production council” and the “safety and hygiene committee” were set up at each factory as consultation bodies in production division (The Oral History of Kanasugi Hidenobu, 166).

Although the Union sometimes made propositions related to working conditions at the management consultation council and the production council, it never made requests on such occasions. Requests were made as such in collective bargaining (The Oral History of Kanasugi Hidenobu, 104). For instance, issues related to job reallocation resulting from technological innovation5 were usually dealt with at the production council and in collective bargaining. There was a case in which when the Union proposed that job training be conducted for a certain period of time before the reallocation, the management accepted the proposition (The Oral History of Kanasugi Hidenobu, 165).

(2) Communication Activities related to the Productivity Movement

As abovementioned, the Zen Zōsen was against the Productivity Movement. At the beginning, Kanasugi’s group in the Ishikawajima Union was not actively involved in the Movement, either. Kanasugi recollects: “I knew of the Productivity Movement, but, at first, I did not have the intention to be a forerunner of that Movement…I thought it was our job to fight with the members of the Japanese Communist Party at our workplace and to deal with problems under negotiation with the Company (The Oral History of Kanasugi Hidenobu, 136).”

However, at the individual union level, the Ishikawajima Union became involved in the Productivity Movement from its early stages. In 1956, Kanasugi himself participated in the “second productivity inspection party of labor organizations”6 sponsored by the Japan Productivity Center and stayed

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5 Until around 1960, no industrial dispute had taken place over dismissal at the Ishikawajima Heavy Industries, although its business had sometimes shrunk on account of recessions in the shipbuilding industry. Then, dismissal never became an issue until the structural recession in the shipbuilding industry deepened in the latter half of the 1970s (The Oral History of Kanasugi Hidenobu, 132).

6 A total of thirteen trade union officials took part in the “second productivity inspection party of labor organizations.” The breakdown was as follows: eight officials were from unions affiliated with the Zen Rō Kaigi [All-Japan Labor Union Congress] (including the Sōdōmei [General Federation of Japanese Trade Unions]); two, from unions affiliated with the Sōhyō [the General Council of Trade Unions of Japan]; and three, from independent unions (The Oral History of Kanasugi Hidenobu, 138). Incidentally, the Japan Productivity Center sent the “productivity
in the United States for six weeks. In addition, during the three-month preparation period for the inspection, lectures on the Productivity Movement were delivered, and inspection tours of domestic industrial facilities were conducted at the NKK Kawasaki Steel Works, the Nissan Motor, the Shibaura Electric, the Japan Cement and the Ishikawajima Heavy Industries (The Oral History of Kanasugi Hidenobu, 138 and 141). These productivity inspection tours provided opportunities for individual unions’ officials in support of the Production Movement to spend a long time together and deepen mutual understanding.

(3) The Process of Persuading Union Members

After having participated in the inspection party abovementioned, Kanasugi’s group in the Ishikawajima Union aimed for the construction of mutual-trust-based industrial relations from the standpoint in support of the Productivity Movement. On the other hand, the left-wing group within the Union adopting more confrontational industrial strategies opposed it, insisting that the Productivity Movement was nothing less than rationalization leading to job cuts and labor intensification. The contention between the two groups continued. In response to the leftist criticism, Kanasugi’s group used the same logic as the Japan Productivity Center’s three principles: that is, “maintenance and expansion of employment,” “cooperation and consultation between labor and management” and “fair distribution of results (The Oral History of Kanasugi Hidenobu, 164).” For instance, the introduction of large electronic computers was put on the agenda in 1957. While the leftist group opposed it, Kanasugi’s group agreed to it, remarking: “There is no reason for opposing it. Fellow workers’ efficiency will improve. They can ease up, and still the efficiency will improve. What is the reason for opposition?” (The Oral History of Kanasugi Hidenobu, 164).

Then, from around 1966 onwards, Kanasugi’s group set up an informal organization and held study meetings for rank-and-file union members as a preparation for the withdrawal from the Zen Zōsen (The Oral History of Kanasugi Hidenobu, 234). On such occasions, Kanasugi and his partners told to the members that the most important thing was to participate in the Productivity Movement and gain as large a share of results as possible. That meant that the Union’s top priority should be to “speed up livelihood improvement” and for that purpose the Union should withdraw from the leftist Zen Zōsen. At the time, Kanasugi was thinking that the level of working conditions at the Ishikawajima Heavy Industries lagged behind other shipbuilding companies’ on account of the prolonged struggle with the left-wing group (The Oral History of Kanasugi Hidenobu, 241). As was mentioned above, Kanasugi’s group finally seized the majority support at the 1970 election of Union officials, which led to the withdrawal from the Zen Zōsen.

As has been shown, when the group within the Ishikawajima Union aiming for the construction of mutual-trust-based industrial relations persuaded workers (union members), words emphasizing their benefits, such as the alleviation of labor intensity and the acceleration of livelihood improvement, were used.

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inspection party of labor organizations” to the United States twelve times between June, 1961 and January, 1966. This type of inspection tours were organized for trade union officials to inspect general labor conditions. However, if inspections organized for other purposes are included, the number of union officials’ inspection parties organized rises to as many as a hundred and seven. Apart from them, moreover, there were cases in which union officials took part in three-party productivity inspection teams comprising workers’ representatives, management’s representatives and a neutral third party (Nihon Seisansei Honbu, 1965).

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2. The Case of NKK

The NKK (the present-day JFE Steel) was one of Japan’s major steel companies, containing the Heavy Industries and Shipbuilding Departments in addition to the Steel Department. The Steel Department started its post-war operation at its two main plants: the Kawasaki Steel Works and the Tsurumi Steel Works. Then, the Mizue Steel Works and the Fukuyama Steel Works commenced their operations in 1962 and 1966, respectively. In 1968, the Kawasaki, Tsurumi and Mizue Steel Works were integrated into the Keihin Steel Works.

After the end of WWII, the NKK’s employees were organized into trade unions at each plant, so that many trade unions coexisted in the single company. By September, 1946, unions had been established at eleven plants of the NKK. Although in November of the same year these unions set up the Federation of NKK Workers’ Unions, it dissolved in October, 1948, on account of the confrontation between unions in the Steel Department and those in the Shipbuilding Department. Then, the Federation of NKK Steel Workers’ Unions was established which was constituted only by unions belonging to the Steel Department. However, this Federation also broke up in October, 1952, due to policy differences between the union at the Kawasaki Steel Works and the union at the Tsurumi Steel Works. The Federation was thus reorganized into the Council of NKK Steel Workers’ Unions, and this Council affiliated with the Tekkō Rōren [Japan Federation of Steel Workers’ Unions], an industrial union (federation of unions) under the umbrella of the Sōhyō. In 1962, the Council was again reorganized into a federation and thus the Federation of NKK Steel Workers’ Unions was established. In 1970, unions at the Kawasaki, Tsurumi and Mizue Steel Works were integrated into the Keihin Steel Works Workers’ Union.

The Kawasaki Steel Works Workers’ Union was established as a trade union of workers employed at the NKK Kawasaki Steel Works in January, 1946, and affiliated with the Kanagawa Prefecture branch of the Sōdōmei.7 As of 1946, the Kawasaki Steel Works Workers’ Union was already a mixed union comprising both white and blue-collar workers (Orii 1973, 164). After the Red Purge, a variety of groups emerged within the Union including the militant left-wing group, the moderate right-wing group and the neutral group (The oral history of Gotō Tatsuo, 83). During the period between 1952 and 1959, trade unions at the NKK frequently resorted to strike action. It was commonly recognized at the time that strikes broke out at the NKK more often than at other steel companies. In particular, the 1959 strike, which was called the “forty-nine-day battle” in the firm, was a large-scale one consisting of multiple strikes (Orii 1973, 169). However, at the election of Kawasaki Steel Works Workers’ Union officials held immediately after the strike, many officials were elected from the moderate group which had opposed the strike. Thereafter, strike action was not taken, except for the 1951 Shuntō wage struggle (The oral history of Gotō Tatsuo, 119; Orii 1973, 174).

(1) The Establishment of the Management Consultation Council

Before the establishment of the Japan Productivity Center, a labor agreement was concluded at the Kawasaki Steel Works in 1946. The agreement stipulated that a joint labor-management consultation body called the “management consultation council” be established and that in the cases of implementing dismissal, job reallocation and organizational change the management should consult with trade unions in advance (Orii 1973, 165). In short, the management was not able to take such measures

7 On the other hand, the Tsurumi Steel Works Workers’ Union, the other major trade union in the Steel Department of the NKK, was established in December, 1945. It affiliated with a different national center, the Sanbetsu Kaigi [All Japan Congress of Industrial Unions].
without unions’ consent. In October, 1949, this agreement was made invalid. However, through the conciliation of the Local Labor Relations Commission, a new agreement was concluded in June, 1951. In the new agreement, management measures such as dismissal, job reallocation and organizational change were excluded from the list of issues which required consultation with unions. As a result, the management became able to decide details of such plans by itself, even though it conferred with unions on issues concerning basic principles (The oral history of Okuda Kenji, 113).

The actual states of the management consultation councils were different by the plants and also by the unions. So far as unions in the Steel Department were concerned, the dominant opinion was that issues concerning working conditions should be negotiated in collective bargaining, whereas other issues be dealt with at the management consultation councils (Orii 1973, 195-196).\(^8\) For example, wage issues were brought straightly to collective bargaining without being discussed at the management consultation councils. With regard to plans for production, manpower allocation and plant expansion, on the other hand, their outlines were presented at the management consultation councils, and related information was exchanged there.\(^9\)

The problem of changing the work shift, for example, was not brought to collective bargaining. Instead, the problem was solved through a long consultation. Okuda talks about consultation between labor and management at the time as follows:

\(^8\) In the Shipbuilding Department, trade unions adopted the prior consultation system: that is, negotiations at the management consultation councils were regarded as a preliminary stage of collective bargaining. If negotiations at the council did not reach an agreement, the issues were brought to collective bargaining. Trade unions in the Shipbuilding Department of the NKK had affiliated with the Zōsen Sōren, which was under the umbrella of the Sōdōmei. It can be assumed that those unions adopted the prior consultation system because of the guidance by these superior bodies.

\(^9\) Incidentally, at the Kawasaki Steel Works, issues concerning manpower allocation were discussed at the management consultation council. When conclusions were not drawn there, the issue was then regarded as a problem related to employment and working conditions and, in some cases, brought to collective bargaining. Even under such circumstances, however, there was a case in which an ad hoc subcommittee of the management consultation council was set up and a detailed discussion was carried out there. Eventually, the conclusions of the subcommittee were approved by the management consultation council. On the other hand, there were also cases in which after having decided a general standard of labor conditions concerning the whole Company in collective bargaining between the management and the Federation of Steel Workers’ Unions, the details of the conditions were determined at the management consultation councils or special committees of each plant, in consideration of the actual situation at each plant and workplace (The oral history of Gotō Tatsuo, 88-89).
From the management’s point of view, too…technically complicated issues were hard to negotiate in collective bargaining. Therefore, when they wanted to discuss complicated issues, they preferred the management consultation council. For example, when they changed the shift system to the so-called “four-crew-three-shift system,” we discussed the matter for about a year at the management consultation council, because collective bargaining did not seem appropriate for this matter. In the meantime, people from the union and people from the management got together at study meetings and, together, went to factories in Britain and the United States to see how they were actually doing there. After such experiences, we felt close to each other. In the United States, people on the management side and people on the union would not travel together. But in Japan, there were relatively plenty of such cases, and they did such kind of things on purpose. In such a situation, the union side began to understand what the management side was thinking. On the other hand, the management deepened their understanding of unions’ situation to the extent that we could conjecture about how to give a persuasive explanation to shop floor workers. After all, union officials, too, had to persuade rank-and-file members (The oral history of Okuda Kenji, 234).

As can be seen, both the management and the union committed themselves to continuous consultation, instead of resorting to collective bargaining with a time limit. While continuing the consultation, they both examined the problem from various aspects and eventually reached to an agreement.

(2) Communication Activities related to the Productivity Movement

Because the Tekkō Rōren had been affiliated with the Sōhyō, trade unions at each plant of the NKK did not officially participate in the Productivity Movement. However, an official of the Kawasaki Steel Works Workers’ Union took part in the “first productivity inspection party of labor organizations” in 1955, the year in which the Japan Productivity Center was established. During the inspection, the official had social intercourse with leaders of other trade unions not affiliated with the Sōhyō (The oral history of Gotō Tatsuo, 162). In 1964, the Kinzoku Rōkyō [International Metalworkers’ Federation-Japan Council (IMF-JC)] was established and the Tekkō Rōren joined it. Then, inside the overseas inspection party organized by the Japan Productivity Center, the IMF-JC steel team was formed and sent to Europe and the United States (The oral history of Gotō Tatsuo, 163-4).

With regard to the Productivity Movement, the Kawasaki Steel Works Workers’ Union insisted from the outset that it was not against productivity improvement itself. Its union officials said to shop floor members: “We are into productivity improvement, because there will surely be benefits. Nothing is wrong with it (The oral history of Gotō Tatsuo, 161).” However, it expressed its opposition to the Productivity ‘Movement’ in consideration of the Sōhyō and Tekkō Rōren’s policy against the Movement.

(3) The Process of Persuading Union Members into Productivity Improvement

During the period immediately after the end of the War, industrial relations were hostile at the NKK, as was the case with many other companies. At that time, negotiations between labor and management were “always an exchange of violent language. Therefore, arguments never came to fruition (Orii 1973, 6).” In such a chaotic situation shortly after the War, the normalization of the slackened workplace discipline was the primary task of many Japanese companies including the NKK.

It was under those circumstances that the idea of “scientific labor management” appeared. It held that constructive arguments between labor and management would be possible only on the basis of scientific data, which were impartial, objective information. At the NKK as well as other companies,
personnel and labor management officers such as Orii Hyūga came to think that “scientific labor management” was indispensable for the “construction of industrial relations in which fruitful discussion was possible (Orii 1973, 7).”

The NKK’s first attempt in this direction was the “job survey.” The aim of this survey was “to collect objective data on the actual state of jobs at the worksite and to implement labor management on the basis of such data” (Orii 1973, 7). It was meant to be a step forward towards scientific management. In order to have lively and detailed discussions between the management and workers, the Company thought, it would be better to share the same data between them. Along this line of thought, it was decided that the management and workers should be jointly involved in the data collection process. The joint labor-management “Job Survey Committee” was thus set up in March, 1950, and a union member was included in the survey team (Orii 1973, 8).10 The data collected by the job survey were used for, for example, the designing of a job-based payment system, the establishment of a manpower allocation system11 and the integration of the repairing sectors (The oral history of Okuda Kenji, 54-55). Thereafter, the job surveys were conducted repeatedly on occasions such as the construction of new factories (The oral history of Okuda Kenji, 62).

As has been shown, the data on the actual state of jobs collected by the job surveys were used for organizational changes and the improvement of the personnel system. In addition to the job surveys, various types of surveys on workers’ attitudes and opinions were implemented in and after 1952. They were public opinion surveys of the Company in effect and used as the basic data for the designing of personnel and labor management systems. The major attitude surveys were as follows: “The survey on workers’ attitudes towards the management and the unions” (1952); “The survey on workers promoted to supervisory positions” (1954); “The survey on workers’ welfare” (1956); “The public opinion survey at the Mizue Steel Works” (1960); “The Company’s public opinion survey” (1963) (Orii 1973, 72-73). Although trade unions at the NKK were not directly involved in these surveys, the Company gave their results to the unions (The oral history of Okuda Kenji, 67).

When the first survey, “The survey on workers’ attitudes towards the management and the unions,” was conducted,12 Odaka Kunio, Professor of the Literature Department at the Tokyo University, was called in as an impartial third party and offered help and guidance (Orii 1973, 70). Since this survey included questions concerning workers’ opinions about the unions and political parties they support, personnel and labor management officers notified the unions about it in advance to gain their understanding (Orii 1973, 75).

The Kawasaki Steel Works Workers’ Union did nothing against those surveys. Tan’no Shōsuke, a Union official at the time, talks about it as follows:

"We did not say, “That’s good. Please do it.” But, we thought that there was no reason for opposing it, because basically it was not a wrong thing to do (The Oral History of Tan’no Shōsuke, 26)."
As can be seen, the management gained unions’ understanding of the importance of objective data collected by those surveys by sharing their results and, on their basis, having consultations with the unions.

The objective data collected in this way were used in negotiations between the management and the unions. Sometimes, however, a case occurred in which a worker on the shop floor was elected to a union official and put at a negotiating table. It was difficult for such a new official to make sense of the data. Therefore, in order to have a constructive negotiation, newly elected union officials were called into the personnel office, and there, labor management officers gave them lectures about how the survey was conducted and how to read the data (*The oral history of Okuda Kenji*, 134-135).

In fact, labor-management consultations based on those data were fruitful. As one of such examples, the case of the construction of the new Mizue plant is cited below. Okuda’s remarks on this subject are as follows:

…[T]he management explained the whole manpower allocation plan. Then, the unions’ side said: “The Tsurumi plant will be closed after a while. Workers there will have nothing to do. Their jobs should be secured.” They also said something like: “We do not tolerate dismissal. Find jobs for them.” Then, the management replied: “We are not going to discharge anyone. Look, the average age of employees presently at work is this. In a couple of years, this number of workers are going to retire. The rest will be only forty or fifty. They will be able to find jobs at the Inspection Department, for instance. They have plenty of knowledge about our products. That would help us. There will be no need for cutting them.” The unions accepted our explanation, saying, “If the rationalization plan will go like that, we agree to it.” Negotiations usually went that way (*The oral history of Okuda Kenji*, 256).

3. The Case of Trade Unions at Small and Medium-sized Metal Companies: The Tokyo Kinzoku Federation [Federation of Metal industry Workers’ Unions, Tokyo]

The Tokyo Kinzoku Federation was established in June, 1953, as a local organization of the Zen Kin Dōmei [Japan Federation of Metal Industry Workers’ Unions], an industrial union (federation of unions in the metal industries) under the umbrella of the Sōdōmei [General Federation of Japanese Trade Unions]. The Zen Kin Dōmei split when the Sōhyō was established in 1950. At that time, most of the company-based unions of metal industry in Tokyo affiliated with the Sōhyō Zenkoku Kinzoku [National Trade Union of Metal and Engineering Workers, the General Council of Trade Unions of Japan]. From the outset, the Tokyo Kinzoku Federation was in rivalry with the Kantō Kinzoku affiliated with the Sōhyō Zenkoku Kinzoku. However, the Tokyo Kinzoku Federation continued to increase its membership until 1973. At the outset, it was a rather small-sized federation, comprising eleven individual unions with 2,279 members. In 1970, however, it was constituted by a hundred unions with 32,683 members. One of its characteristics was that it consisted mostly of trade unions at small and medium-sized companies. In addition, as will be shown, the Tokyo Kinzoku Federation was actively involved in the Productivity Movement from its early stages.

(1) Communication Activities related to the Productivity Movement

As was mentioned earlier, the Sōdōmei announced its participation in the Productivity Movement in June, 1955. In accordance with this policy, the Tokyo Kinzoku Federation and its affiliate unions set up the “productivity study council” in 1956. At the study council, the affiliate unions deepened their
understanding of, for example, how and why the Sōdōmei participated in the Productivity Movement and why left-wing unions were opposing it, so that their concerns about the Movement were alleviated (The Oral History of Hayashi Fujio, 165-166).

Next, the Tokyo Kinzoku Federation urged employers to participate in the Productivity Movement. Together with influential neutral trade unions, the Tokyo Kinzoku Federation talked their employers into establishing the “Seisansei Rōshi Kondankai [labor-management round-table productivity conference].” The officials of those neutral unions and their employers were those Hayashi had become acquainted with when he took part in the below-mentioned social activities sponsored by the Japan Productivity Center (The Oral History of Hayashi Fujio, 166).

Hayashi himself had participated in various social intercourse activities organized by the Japan Productivity Center from its early stages. Such Productivity-Center-sponsored activities included joint labor-management study meetings and inspection tours of domestic plants to study concrete cases of productivity improvement (The Oral History of Hayashi Fujio, 166-167). In addition, Hayashi became a member of the 1964 Zen Kin Dōmei inspection team, which was sent to the United States and stayed there for more than a month as part of the overseas inspection party organized by the Japan Productivity Center. During the stay, he studied industrial relations at local factories and small and medium-sized companies and living conditions of workers employed there (The Oral History of Hayashi Fujio, 176).

As was mentioned above, the Tokyo Kinzoku Federation’s active participation in the Japan Productivity Center’s activities provided good occasions to have relationship not only with other unions under the umbrella of the Sōdōmei but also with neutral unions which were in support of the Productivity Movement. The Tokyo Kinzoku Federation also took its own action, when it gathered its affiliate unions and neutral unions along with their employers to create a body to enlighten workers and employers on the Productivity Movement. By doing so, the Tokyo Kinzoku Federation sought to expand mutual-trust-based industrial relations.

(2) The Establishment of Labor-Management Consultation Councils

The Sōhyō Zenkoku Kinzoku, which was in rivalry with the Zen Kin Dōmei, made clear its opposition to the Productivity Movement and advised its affiliate unions not to resort to labor-management consultation councils but to bring every problem to collective bargaining (The Oral History of Hayashi Fujio, 205). On the other hand, the Zen Kin Dōmei advised its affiliate unions to set up labor-management consultation councils as a negotiating channel other than collective bargaining. The Zen Kin Dōmei was of the opinion that the establishment of such councils be stipulated in labor agreements.

The type of labor-management consultation council that the Zen Kin Dōmei recommended to its affiliate unions was a prior consultation system. That was a system in which all industrial issues including working conditions were at first discussed at the labor-management consultation council, and if any issues were left unsolved there, such issues would be brought to collective bargaining. This

13 The “Seisansei Rōshi Kondankai” was renamed to “Seisansei Rōshi Kaigi [labor-management productivity conference] in 1956. Later, trade unions and employers outside the metal industry also joined this body. The body was thus reorganized into the “Kantō-chiku Seisansei Rōshi Kaigi [Kantō region labor-management productivity conference] (The Oral History of Hayashi Fujio, 168-169).
14 The participants of this overseas inspection party were constituted by members of industrial unions affiliated with the Sōdōmei or the Zen Rō Kaigi. As was the case with the Zen Kin Dōmei team, several persons were selected from each industrial union (The Oral History of Hayashi Fujio, 174).
15 As for the Sōhyō Zenkoku Kinzoku’s view on the Productivity Movement, see Kurokawa and Satake (1970).
system did not make a distinction between matters that should be handled at the council and those that should be handled in collective bargaining.\textsuperscript{16}

Another characteristic of the Zen Kin Dōmei’s industrial strategy was to give advance strike notice. Their labor agreements made it a rule for unions to notify the management of the scheduled date of strike in order to make a grace period when an agreement was not reached in collective bargaining. There has been an idea that advance strike notice is not necessary because the right to strike is among workers’ basic rights. However, the Zen Kin Dōmei did not take this stance and gave guidance to its affiliate unions based on the policy abovementioned.

The Tokyo Kinzoku Federation also advised its affiliate unions to set up labor-management councils for prior consultation and to give advance strike notice. In addition, at the labor-management productivity conference run under the initiative of the Tokyo Kinzoku Federation, a proposition was submitted to conclude a unified agreement between those companies and unions that were in support of the Productivity Movement. This policy direction was officially approved at the 1961 general assembly of the Tokyo Kinzoku Federation. The Tokyo Kinzoku Federation’s “Unified Labor Agreement” was applied to companies and its affiliate unions that signed it, and it had precedence over other agreements made between individual companies and unions. The content of the Agreement included the promotion of the Productivity Movement, the establishment of labor-management consultation councils, advance strike notice (a 48-hour grace period was required before going on strike). In addition, the stipulated procedure required that the advance strike notice be brought to the company not by the union concerned but by the headquarters of the Tokyo Kinzoku Federation.\textsuperscript{17} After nine years of arrangement with individual companies and unions, the Unified Labor Agreement was officially concluded in March, 1970, and became effective in September.\textsuperscript{18}

\textsuperscript{16} The Zen Kin Dōmei’s idea behind the prior consultation system was different from the Japan Productivity Center’s original policy: that is, issues on which interests were different between labor and management should be handled in collective bargaining and issues on which labor and management had common interests should be handled at the consultation council. Hayashi was against this policy: “Whether or not the company and workers had common interests could not be known until we had a discussion. If the discussion became confrontational and no solution was in sight, a conclusion would not be able to be drawn except by force. That was collective bargaining (\textit{The Oral History of Hayashi Fujio}, 216-217).” After a while, the Japan Productivity Center gradually changed its stance and began to understand the prior consultation system. In a report titled \textit{How to Conduct Labor-Management Consultation} published by the Japan Productivity Center in 1958, it was stated that the choice between collective bargaining and labor-management consultation council should depend “not upon the nature of the problem in question but upon the opinions and attitudes towards the problem held by both labor and management (Nihon Seisansei Honbu 1965, 157).”

\textsuperscript{17} It was another device to avoid strike as much as possible. According to Hayashi: “Even when unions decided to go on strike, both workers and the employer were thinking at the bottom of our hearts that it would be better if it was called off. Therefore, when officials at the Headquarters (the Tokyo Kinzoku Federation) went to the company to notify of the strike forty-eight hours before the deadline, they talked with the employer and judged if strike action was really unavoidable. If there was a chance to avoid it, the Headquarters acted as an intermediary to put both the employer and workers at the table of collective bargaining (\textit{The Oral History of Hayashi Fujio}, 255-256).” It was also possible to make use of the Labor Relations Commission.

\textsuperscript{18} As for the arrangement process between the Tokyo Kinzoku Federation and individual companies and unions leading up to the conclusion of the Unified Labor Agreement, see Nagumo et al. (2006). As for the arrangement process between individual companies and unions, see Shimanishi et al. (2010).
The prior consultation system and advance strike notice were both measures not to make labor-management relations unnecessarily hostile but to build mutual-trust-based relations.

(3) The Process of Persuading Employers and Affiliate Unions

As was mentioned earlier, the Tokyo Kinzoku Federation was actively involved in the Productivity Movement from its early stages. At first, however, even employers had doubts about the Movement let alone the Federation’s affiliate unions. Both of them were concerned that they would be forced to cooperate in order to raise productivity. The workers’ side thought that it would lead to labor intensification, and the employers’ side, to the contraction of working hours (The Oral History of Hayashi Fujio, 169).

In such a situation, the Tokyo Kinzoku Federation had to persuade the management side as well as the union side. In the persuasion process, Hayashi used the following logic:

In order for employers to make profits, or for workers to improve their working conditions, the companies we were working at had to be in the black…To keep our company in the black should be the common goal for both the management and the unions. For that purpose, cooperation between management and workers was indispensable…Where would that cooperation come from? In our view, it would come from prior consultation between labor and management. It is an attitude that we should talk with each other frankly before a problem will escalate into a dispute. How to make companies profitable for the good of both employers and workers? We need to discuss it thoroughly. To force a wage raise by threatening a strike is not cooperation. Discussion is (The Oral History of Hayashi Fujio, 208-209).

As can be seen, the logic above is the same as the Productivity Movement’s. That is, it was both employers’ and employees’ benefit to “grow the pie,” which would be shared between management and labor, by developing companies through labor-management consultation. As its precondition, Hayashi stresses the need for a “trust-based relationship between management and labor.”

Hayashi’s idea of “trust-based relationship between management and labor” included the following contents. First, the escalation of labor-management confrontation had to be avoided through measures such as the prior consultation councils and advance strike notice. Second, labor-management consultation had to be conducted on the basis of objective data. For example, Hayashi advised unions affiliated with Tokyo Kinzoku Federation, on occasions such as wage and bonus negotiations, to make their case against the management on the basis of official statistics such as the price increase rate (The Oral History of Hayashi Fujio, 214). Third, the Tokyo Kinzoku Federation as a superior organization had to guide its affiliate unions from a neutral standpoint. Of course, Hayashi was feeling at the time that it was not easy to gain employers’ understanding of the Tokyo Kinzoku Federation’s activities since it was a labor organization (The Oral History of Hayashi Fujio, 219). Therefore, he had to keep in mind that affiliate unions should be guided from a maximally neutral perspective in order to build a mutual-trust-based relationship with the management side. In practice, Hayashi laid importance on listening to what the management said (The Oral History of Hayashi Fujio, 219), and always told workers to do their jobs with responsibility.19 Moreover, when an affiliate union went on strike without giving advance notice, the Tokyo Kinzoku Federation did not tolerate this breach of the rule, ordering the union to call off the strike (The Oral History of Hayashi Fujio, 160).

19 Hayashi once chided a “furyō rōdōsha [bad worker (literally, defective worker)]” for not working with responsibility and even told him to leave the company (The Oral History of Hayashi Fujio, 187).
Another contribution of the Tokyo Kinzoku Federation related to the Productivity Movement was its promotion of QC circle activities. Initially, the Headquarters of the Japan Productivity Center proposed to the Tokyo Kinzoku Federation that its affiliate unions should introduce QC circles at their companies. Then, the Tokyo Kinzoku Federation provided occasions for learning about QC activities by inviting lecturers to worksites and also by organizing inspection tours of domestic plants. Through these educational activities, the Tokyo Kinzoku Federation succeeded in persuading its affiliate unions. QC circles thus spread widely. The decisive point for employers and unions affiliated with the Tokyo Kinzoku Federation to introduce QC circles was the initiative taken by the Japan Productivity Center: “Because the neutral organization was promoting it, both employers and workers were motivated to be involved in the movement (The Oral History of Hayashi Fujio, 195).”

As has been shown, when the Tokyo Kinzoku Federation tried to persuade its affiliate unions into the Productivity Movement, it stressed the merit of “growing the pie” shared between employers and workers. With regard to the “splitting of the pie,” on the other hand, it made its own rules to prevent labor-management confrontation from escalating. It prepared objective data before negotiation and tried to guide its affiliate unions from a neutral perspective. By doing so, it sought to build mutual-trust-based relationships between employers and workers. For that purpose, moreover, it adopted the labor-management consultation system. With regard to the introduction of QC activities in which workers committed themselves to the improvement of their working environments, both employers and workers agree to it with an understanding of the importance of such activities, all the more because it was proposed by the Japan Productivity Center from a neutral and unbiased third-party perspective.

V. Concluding Remarks

This study has examined, through the oral history method, with what kind of language and logic management officers and union officials persuaded negotiating partners and workers into the construction of mutual-trust-based industrial relations, presenting the case studies of the Ishikawajima Heavy Industries, the NKK Kawasaki Steel Works and the Tokyo Kinzoku Federation. The following three points have been revealed.

(1) At large companies such as the Ishikawajima Heavy Industries and the NKK Kawasaki Steel Works, labor-management consultation bodies had been established even before the foundation of the Japan Productivity Center. At such consultation bodies, industrial issues other than working conditions were discussed. At both companies, the type of issues discussed at such consultation bodies was distinguished from the type of issues negotiated in collective bargaining. On the other hand, the Tokyo Kinzoku Federation, a federation of metal workers’ unions at small and medium-sized companies, promoted a labor-management consultation system based on the basic principles of the Productivity Movement. The system the Tokyo Kinzoku Federation sought to spread among its affiliate unions was a prior consultation system in which all issues were discussed at the labor-management consultation council and if an agreement was not reached there the negotiation proceeded to collective bargaining.

(2) When officials of the Ishikawajima Heavy Industries Workers’ Union tried to persuade its members into the construction of co-operative industrial relations, they used words such as “the alleviation of work burden” and “livelihood improvement” that stressed workers’ merits. In addition, even before the establishment of the Japan Productivity Movement, personnel and labor management officers at the NKK Kawasaki Steel Works had been sharing their survey data with
workers and having discussions with them based on such data on the understanding that scientific data was objective information crucial for constructive discussion.

(3) At small and medium-sized companies, not only trade unions but employers were distrustful to the Productivity Movement. Therefore, the Tokyo Kinzoku Federation had to persuade both sides. For that purpose, it provided occasions for education and discussion with regard to productivity improvement and the labor-management consultation system. In order to persuade both sides, the Tokyo Kinzoku Federation maintained that “growing the pie” would bring benefit to both of them. For that purpose, it made negotiation rules to avoid confrontation as much as possible. Moreover, as officials of a superior organization, the Tokyo Kinzoku Federation’s officials sought to play their roles from a maximally neutral perspective in their attempts to construct “trust-based relationships between labor and management.”

So far, the formation process of mutual-trust-basis industrial relations has been investigated. At large companies such as the Ishikawajima Heavy Industries and the NKK, labor-management consultation bodies had already been established with both sides’ consent before the commencement of the Productivity Movement. Whereas, activities of the Tokyo Kinzoku Federation, which was concerned with small and medium-sized companies, were largely influenced by the Productivity Movement. It was thanks to the strong leadership of this industrial union that stable industrial relations were maintained and various industrial systems including the labor-management consultation system were introduced. Unlike the case with large companies, it was financially difficult for trade unions at small and medium-sized companies to employ a sufficient number of full-time union officials. In extreme cases, unions could not afford any full-time official. It can be assumed, therefore, that it was almost impossible in practice to set up a labor-management consultation body at each small and medium-sized company. Under such circumstances, the strategy taken by the Tokyo Kinzoku Federation, a local organization of a strong industrial federation of unions (i.e. the Zen Kin Dōmei) – that is, to build mutual-trust-based industrial relations by introducing the Productivity Movement – was practically effective.

Shimanishi et al. (2012) point out that the establishment of “impartial third-party” body was indispensable, in order for the labor Department of the Japan Productivity Center to diffuse labor-management consultation councils and to make those effective. It should also be noted in this respect that in the cases of the NKK Kawasaki Steel Works and the Tokyo Kinzoku Federation, objectivity of data was laid importance, and negotiations at consultation bodies and in collective bargaining were conducted on the basis of neutral information disclosed to the public.

However, the co-operative industrial relations formed through the mediation of the Tokyo Kinzoku Federation also had unstable aspects. There was a risk for its affiliate unions to depend too much on the industrial federation. For example, since individual unions at small and medium-sized companies did not have a sufficient number of full-time officials, such unions themselves were not able to deal with employers effectively without the Tokyo Kinzoku Federation’s guidance.20 In addition, there was a possibility that personal capacities of the industrial federation’s officials might affect the degree of trust between labor and management. Moreover, there was also a possibility that the devices to avoid strike action would weaken company-based unions’ negotiating power. In other words, there was a high possibility that when the industrial federation’s leadership declined, that would lead to the decline of affiliate unions’ negotiating power or to their subordination to companies.

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20 For example, some affiliate unions could not effectively oppose job cut plans presented by management at a time of recession (The Oral History of Hayashi Fujio, 184-185).
Finally, the examination of the formation of mutual-trust-based industrial relations has to be deepened by utilizing other oral history records than the ones dealt with in this study. In addition, it is also our future task to accumulate more oral history records for that purpose.

**Figure 1: Changes in the number of labor disputes (1946 – 2000)**

(Unit: case)

Source: Ministry of Health, Labour and Welfare. Rōdō Sōgi Tōkei [The Survey on Labour Disputes].
Table 1: Changes in rates of plants with labor-management consultation bodies
(Unit: percent)

| Year   | 1972 | 1984 |
|--------|------|------|
| Company size |      |      |
| Total     | 62.8 | 72.0 |
| More than 1,000 | 90.0 | 94.2 |
| 500-999   | 80.6 | 83.6 |
| 399-499   | 78.9 | 74.4 |
| 100-299   | 56.4 | 57.6 |
| Trade Union |   |      |
| Exist     | 76.6 | 87.9 |
| Not Exists| 31.3 | 40.7 |

Source: Rōdō Daijin Kanbō Tōkei Chōsa-bu [Statistics and Research Bureau, Minister's Secretariat, Ministry of Labour]. Shōwa 47-nen Rōshi Communication Chōsa Kekka Hōkokusho [The 1972 result report of Survey on Labour-Management Communications]. Rōdō Daijin Kanbō Seisaku Chōsa-bu [Policy Planning and Research Bureau, Minister's Secretariat, Ministry of Labour]. Shōwa 60-nendo Nihon no Rōshi Communication no Genjō [Fiscal year 1985: The actual state of labor-management communication in Japan].

Notes: Each figure indicates percentage of plants having labor-management consultation bodies either at the plant or company level against the total number of plants. The objects of the surveys were private companies’ plants with more than a hundred regular employees.
### Table 2: Oral history records used in this study

| Case                              | Oral History                  | Interviewee                                      | Number of interviews conducted | Year of Publication | Type of Record                                      |
|-----------------------------------|--------------------------------|--------------------------------------------------|-------------------------------|---------------------|---------------------------------------------------|
| The Ishikawajima Heavy Industries | Kanasugi Oral History         | Kanasugi, Hidenobu (official of a trade union)   | 10 times in total            | 2004                | Kakenhi Hōkokusho [The Grants-in-aid for Scientific Research Report] |
| The NKK Kawasaki Steel Works      | Okuda Kenji Oral History      | Okuda, Kenji (personnel and labor management officer) | 11 times in total            | 2004                | Kakenhi Hōkokusho [The Grants-in-aid for Scientific Research Report] |
|                                   | Gotō Tatsu'yo Oral History    | Gotō, Tatsuo (official of a trade union)         | 10 times in total            | 2004                | Kakenhi Hōkokusho [The Grants-in-aid for Scientific Research Report] |
|                                   | Tan'no Shōsuke Oral History   | Tan’no, Shōsuke (official of a trade union)      | 2 times in total             | 2004                | Kakenhi Hōkokusho [The Grants-in-aid for Scientific Research Report] |
| The Tokyo Kinzoku Rōdō Kumiai     | Hayashi Fujio Oral History    | Hayashi, Fujio (official of a local body of an industrial union) | 9 times in total            | 2008                | Book (published by the Keio University Press)       |

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