

The Business Case of Diversity: A Japanese-German Comparison

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Introduction

Diversity in human resources has been widely discussed as a business concept in recent years and is assumed to be linked to improvements in corporate performance. Companies engaging in a global environment today are not only forced to implement complex international supply chains, tackle a large numbers of economic, social and environmental risks, but also have to respond to client demands with a broad range of cultural, social and ethnic backgrounds. This increased complexity of corporate management and decision making can in many cases be dealt better with a human resource structure that is reflecting this diversity and does not limit promotion to superficial factors such as age, nationality and gender. Furthermore, in the so-called global war for talents, it has become crucial for multinational enterprises to attract the best qualified employees worldwide with a corporate environment that is open for workers of various kinds of backgrounds. Having said this, on the other side obviously the degree to which diversity as a dimension in human resource management is considered and implemented varies depending on the cultural and social context. This paper shall shed light on in particular the cases of Japan and Germany, exploring the factors shaping diversity in those two nations.

Diversity as a dimension in corporate management

Diversity can be defined as the recruiting and promotion of personal, independent of gender, nationality, age, race, religion, physical

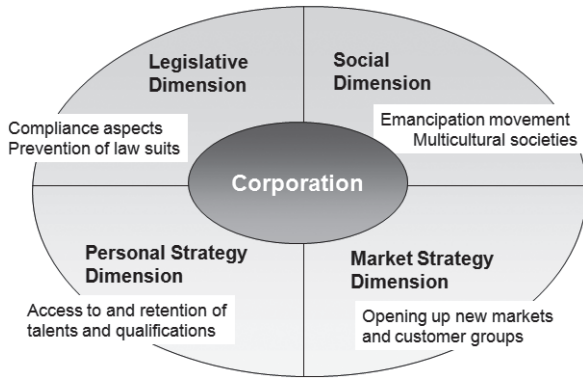


Chart 1: Dimensions of Diversity as success factors for corporations²⁾

handicaps, and sexual orientation. Diversity has its historic roots in the USA, where a strong sensitivity for anti-discrimination aspects in the public and corporate context has been developed early, with diversity management being common practice in corporations.¹⁾ The concept of diversity spread globally through the increased implementation of anti-discrimination and compliance laws also in other nations. While in the beginning, diversity therefore has first been fostered to comply with legislation, in recent years this concept has been discussed increasingly as a strategic step in Human Resources, which can be linked to a concrete business case. In other words, the promotion and retention of a diverse workforce is assumed to bring about strategic and operational advantages within the daily business conduct of corporations, depending on its market environment. As Chart 1 illustrates, diversity can among others be linked to four strategic dimensions, the legislative, the social, the market and the personal strategic one.

Firstly, within the legislative dimension, creating a non-discriminatory workplace for employees of various backgrounds can not only be a necessity due to existing laws, but help prevent lawsuits in the fu-

ture, when legislative measures might tighten even further. Law suits based on discriminatory complaints have been on the rise in recent years, for example in the USA their number has risen 20 times fold since the 1970s.³⁾ Being a first mover anticipating such kind of future legislative changes and even today creating an open corporate culture, can therefore lead to a strategic advantage in comparison to other corporations, which might be confronted with the necessary adaptations unexpectedly and suddenly. Secondly, in relation to the social dimension, the worldwide global emancipation movement in particular in industrialized nations has made women a potent customer group, whose demands have to be responded to. Furthermore, many previously homogenous nations, such as France, the Netherlands and Germany, have become more multicultural due to an increase in global immigration. Therefore, corporations are now often forced to plan and design their products not for one large, culturally homogenous market, but rather a very diverse and fractured one, consisting of many small cultural niches. This market strategy dimension of course does not only apply to the home country of the corporation, but even the more to the international stage. Thanks to easy and affordable cross-national communication and the globalization movement, many corporations are now not only targeting their own national customers, but also those overseas. However, understanding foreign customers, modeling effective marketing measures and developing appropriate customer service, requires an in-depth understanding of the customers' social and cultural background. In this sense, possessing a human resource structure which reflects this diversity and is capable of understanding a complex market place can be of crucial strategic importance for corporate survival in the international economic environment.

Lastly, the personal strategy dimension is noteworthy when discussing the business case of diversity. Not only do corporations have to tackle a more complex customer base, but the global war for talent

makes it difficult for some companies to attract and retain the best qualified employees. Offering a working environment, where each employee feels welcome, independent of gender, nationality and age can help gain access to the best brains worldwide. A rising number of women today possess a high educational level and choose to continue their career after marriage and childbirth, not becoming a full-time house maker like their mothers or grandmothers did. As therefore women make up close to half of the employees on the job market in most developed nations, from the corporate perspective tapping into this talent pool and creating a work environment in which female employees can work freely can be a crucial step to gain access to and retain the best available talent. What is more, being perceived in the market as a socially progressive company, which gives career opportunities to employees on a non-discriminatory basis, can help corporations to shape their employer branding strategy in a positive way. Summing up, it can be concluded that diversity — if implemented effectively — can lead to the identification and exploitation of business opportunities, the attraction, retention and motivation of human talent and the enhancement of the reputation of the company as socially progressive.⁴⁾

A look into the empirical realities: Diversity implementation in corporation worldwide

While business theory agrees that there exists a potential business case for diversity management, it is insightful to explore the empirical realities and investigate what kind of role diversity currently plays in corporations. According to a survey undertaken among 15 of the Fortune 100 companies, the reasons for implementation of diversity measures are the following: Better use of talent (93%), better market understanding (80%), broader perspective in leadership positions (60%), enhancement of creativity (53%), improvement of problem solving competence (43%).⁵⁾ Interestingly, those numbers make clear

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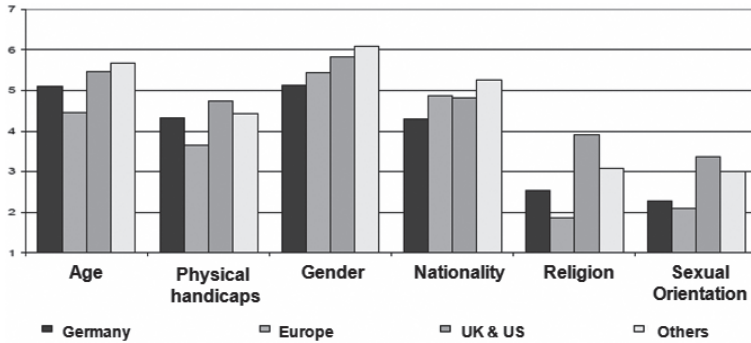


Chart 2: Importance of diversity dimensions by region⁷⁾

that — while companies apparently see considerable benefits from the implementation of diversity — mostly those advantages are of an intangible nature, making the concrete measurement of the business case for diversity problematic.

Moreover, there seem exist undeniable regional differences in the assumed importance of diversity aspects. As Chart 2, showing the results of the underlying survey by Köppel, Yan and Lüdicke⁶⁾ illustrates, depending on the nation and region, diversity aspects are perceived as being of varying importance. According to the gathered survey data, in general within Anglo-Saxon corporations, all examined factors of diversity, including age, physical handicaps, gender, nationality, religion and sexual orientation, are perceived to be of higher urgency than for instance in continental Europe. This can be explained by the fact that Anglo-Saxon nations are traditionally immigration countries, which historically had to deal with a generally higher level of diversity in their population and consequently as well in their talent pool and client target groups.

Accordingly, Anglo-Saxon companies rated the future importance of diversity implementation in all surveyed aspects, including corporate performance, customer satisfaction, shareholder value and image,

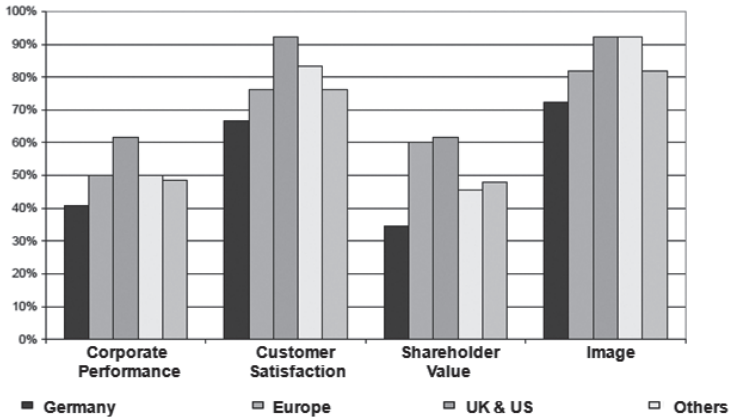


Chart 3: Future effects of diversity implementation by region⁸⁾

higher than did European ones. This again can be attributed to the fact that corporations in Anglo-Saxon nations expect to also in the future having to deal with a very fractured talent pool and market environment, in which diversity aspects should play a crucial role. In continental Europe on the other hand, the awareness for diversity is on the rise, but not quite on equal level as of today.

It is furthermore insightful to note that there seems to be a difference in perception according to the size of the company. The survey found that larger corporations with more than 20.000 employees see a greater future benefit for the implementation of diversity than smaller ones. Most likely this can be explained by the argument that larger enterprises can not only be judged more directly by a variety of stakeholders through their stock price⁹⁾, but also that the bigger the organization, the more it has to deal with a broad range of interests among their clients and employees, which in turn makes an open approach to diversity crucial.

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Chart 4: Future effects of diversity implementation by size¹⁰⁾

Diversity in Japanese and German companies: a comparison

Summing up, it can be said that diversity is today not only a business concept that receives attention in theoretic research, but one that is increasingly considered and implemented in corporations worldwide, with Anglo-Saxon corporations in the first mover positions.¹¹⁾ As a next step, the case of two traditionally homogenous countries, Japan and Germany, and their approach to diversity shall be contrasted. While it is obvious that diversity is perceived as important in a traditionally diverse context, such as the North American one, it might be insightful to see if the same kind of reasoning can be applied — and if yes, to what extent — to the less diverse corporate and social environments of Japan and Germany. Due to the limited frame of this paper, the analysis will be confined to the three diversity dimensions of age, nationality and gender.

Employment independent of age — the case of Japan

Traditionally, Japanese human resource management is based on the concepts of mostly university graduates recruiting, followed by intensive firm-specific on-the-job training, lifetime employment and

seniority based, rather than performance based, promotion. Concerning lifetime employment in Japanese corporations, there are claims that a more correct interpretation of the term would be “lifetime commitment”¹²⁾, which implies an even deeper moral interdependence between the corporation and the employees. In recent years, both Japanese and Western scholars have been predicting the end of this classical employment pattern and a consequent shift towards a more flexible, Anglo-Saxon oriented model. Yet, a study undertaken by the International Labour Office in 2003¹³⁾ found that the length of employment tenure during the 1990s in Japan has developed rather towards a prolongation of occupation with an increase of average employment length from 10.9 years in 1992 up to 11.6 years in the year 2000. Furthermore, the share of long time employees working for the same firm for more than ten years has also slightly increased by 0.7%.

Moreover, according to an OECD study, in 1995 the average length of tenure within one company was 12.9 years, the longest in comparison with other advanced industrialized nations.¹⁴⁾ Therefore, while experts often claim that lifetime employment has ended available research data suggest that the actual situation in Japanese companies is in contrast to this.¹⁵⁾ Admittedly, there are first attempts in some enterprises to modernize human resource management: for example, phasing out seniority based pay and promotion.¹⁶⁾ Some studies suggest that as a general trend, Japanese companies are shifting towards a higher labor mobility and a more performance based approach, yet not reaching the level of dynamic found in foreign companies in Japan.¹⁷⁾ While such small changes can be observed, nevertheless, the majority of studies¹⁸⁾ give an indication that in a predominant portion of the Japanese economy, in particular in larger firms which could prevent lay-offs by restructuring or transfer of employees to subsidiaries,¹⁹⁾ lifetime commitment is still considered the norm both by the corporations and the employees. What is more, the traditional dominance of the so-called “Kohai-Sempai”²⁰⁾ culture

makes it difficult in social relations to accept a superior who is younger than the respective team member. All this makes it difficult for young managers to be assigned positions of high responsibility at an early age.

As for the moment, only 7.6% of all top managers in Japan are younger than 45 years. As long term employment and seniority promotion still prevails in many Japanese corporations, few workers want to change jobs voluntarily. This implies that the secondary labour market is relatively thin in comparison to Western industrialized nations.²¹⁾ In fact, an insightful study by the Recruit Works Institute investigated why workers in Japan are not changing jobs and came to the following conclusions²²⁾ (answers in %, multiple answers possible):

Question: What are the main reasons for you to not change jobs?

- 40.8% I exceed the indicated age in job description
- 23.4% My qualifications are not transferable
- 21.8% Salary or seniority loss
- 19.1% I don't know how to look for a job
- 14.1% Loss of personal work relationships
- 13.5% Pension loss

Those figures clearly indicate that besides of the feared “seniority loss” when transferring to another employer, legislative obstacles play a major role in keeping the Japanese job market static. Concretely speaking, Japanese legislation still makes the transfer of pensions to another employer difficult and — while having become more restrictive in recent years — there are still few legislative requirements discouraging discrimination due to age of the employee. For example, it is still common in Japan to indicate the desired age range of employees in a job ad, which is job switching becomes increasingly difficult after a certain age.

On the other hand side, Japan is facing a dramatically aging society. With birth rates of about 1.3 children per woman, a figure well below the replacement level, Japan is facing a dramatic decline of its (work-

ing) population.²³⁾ In fact, in the year 2005, one-fifth of the Japanese were already 65 years or older. For the year 2050, this number is expected to rise to one third of the population. This trend can be expected to support the dominance of older managers in positions of authority, as employees will have to stay longer in the company to keep utilizing their knowledge and maintain the needed number of workers. Due to those cultural and structural particularities, at the moment the advantages of maintaining a seniority based system rather than establishing a more performance based, age independent human resource management system, seem to prevail in Japanese corporations.

Employment independent of age — the case of Germany

A quite different picture presents itself for the situation of Germany: antidiscrimination legislation concerning age is extensive and employers are not allowed to indicate the desired age of potential applicants in their job advertisements or discriminate employees at the workplace due to age.²⁵⁾ Furthermore, young workers with authority are culturally more accepted than in Japan and it is quite common to have younger superiors than their team members. Of course, also in Germany, a link between age and the level of remuneration can be observed²⁶⁾: for the same position, young employees between the ages of 20 and 30 years are paid 10% less than the average salary. On the other side, employees over 50 years tend to earn 16% above the average for the same position. This can be explained by the fact that more years of experience, even in the same position, might result into a pay increase. In general however, rather than a seniority based promotion system, performance based personal strategy can be found in most German enterprises. In this sense, German corporations are open to give responsibility to young high potentials early on. At the moment, already 32.2% of all top managers in Germany are below 45 years.²⁷⁾ Yet when looking at the business case of stressing age-independent

promotion in order to attract young talent, companies in Germany are generally not proactively investing in such PR activities, as firstly it is usually a given that age will not play a major role in promotion decisions. Secondly, as at the moment²⁸⁾ there is an oversupply of young qualified workers due to high unemployment rates, there is a tendency with corporations to exploit the situation by offering young workers only time limited or internships contracts, rather than permanent employment.²⁹⁾

On the other hand side, like Japan, Germany is facing a society which is increasingly growing older: in the moment, every 4th person in Germany is over 60 years.³⁰⁾ Therefore, it can be anticipated that with this situation growing more severe in the future, German workers will retire later and corporations will have to implement more flexible work models, in order to use the qualifications and know-how of all generations. With knowledge becoming scarcer and therefore more valuable in the long run, innovative and more flexible work models are likely to evolve.

Summing up, it can be said that the business case for age-independent promotion in Germany is generally accepted: while companies are not proactively communicating this aspect of their human resource strategy, promotion is usually more performance than seniority based.

Employment independent of nationality — the case of Japan

As opposed to countries such as Canada or the US, where immigration has been proactively practiced for many decades, in Japan due to cultural homogeneity and a closed character of the country,³¹⁾ foreign labourers are admitted only hesitantly, with a strong preference for those with Japanese ethnic roots, such as, for example, *Nikkeijin*³²⁾ as temporary workers.³³⁾ Japan is now under growing pressure to internationalize and integrate foreigners in its society. Increasing popularity of international marriages as well as the lack of workers, in

particular for low-paying and unskilled jobs, have been bringing a larger number of non-Japanese people to come and earn their living in Japan. The Nippon Keidanren even explicitly considers it one of the country's major goals for the first quarter of this century to "make Japan a place where individuals from around the world want to spend their leisure time, invest their assets, build their careers and live their lives".³⁴⁾ However, the organization does admit that there still exists a lack of tolerance towards diversity on the individual level as well as reluctance to integrate foreigners into the Japanese society from the administrative and governmental side.³⁵⁾ What is more, with the predominant language of Japanese in most corporations, coming to live and work in Japan without years of intensive study is a quite challenging task, in particular for non-Asians, due to the high-context culture.

On the other side, due to the demographic developments, Japan has become a largely saturated market and an opening up to international business opportunities, is crucial for the survival of Japanese companies today. In this sense, there exists a clear business case for the integration of foreigners in particular to facilitate trade with overseas partners and markets, yet a look in the empirical realities show that few Japanese corporations are proactively integrating employees of other nationalities in their workforce. In fact, in the moment, only 0.01% of all permanent employees are non-Japanese,³⁶⁾ indicating that foreign employees are extremely scarce and are usually just offered temporary contracts. Non-Japanese staff is mostly employed in the subsidiaries of corporations overseas to work on the local product development and marketing, but not in the headquarters in Japan.

Employment independent of nationality — the case of Germany

While traditionally being rather homogenous in its population, Germany has in the last decades become an immigration country. Every since the post-war 1950s, Germany has been dependant on im-

migration for their workforce, in particular from South and South East Europe.³⁷⁾ In the moment, there are more than 7 million foreigners, in other words around 9% of the population in Germany. Adding to this are around 1.5 million foreign nationals who have taken German citizenship as well as 4.5 million repatriates. Consequently in total, around 15 million people in Germany have a foreign background. Among them, the largest group is made up by the Turkish community with 1.7 millions, followed by the Italians with 530.000 people.³⁸⁾ The need for immigration in Germany is apparent due to the aging of the population and the fact that German nationals alone are not bearing enough children to maintain the current number of workers.

Also the academic landscape is quite internationalized: At this point of time, every tenth student at German's universities is foreign, with the largest numbers coming from Eastern Europe and China.³⁹⁾ This makes Germany globally one of the most popular study destinations, following the United States and Great Britain.

Furthermore, as a member of the European Union, Germany is having liberal legislation for workers of other European nations. Citizens of other European nations can freely move to Germany and find employment, without the need of applying for a working visa. At the moment, foreigners make up 6.7% of all permanent employees in Germany. Besides of that, Germany as an export orientated nation has to be able to successfully target international markets, therefore relying on a workforce that has the according intercultural outlook and understanding.

While on the one hand side, some promising political improvements for the integration of foreigners has been made, for example the acquisition of the German citizenship has been facilitated and there is a "more widespread acceptance of cultural-ethnic cultural variety"⁴⁰⁾ than a couple of years ago, some challenges still remain. For example, there are indications that foreign employees are mostly doing blue

collar work and are paid less than German nationals.⁴¹⁾

Moreover, the integration of foreigners in German society, in particular of Muslim origin, has brought about some recent tension in the political and social context.⁴²⁾

Altogether, with some integration challenges still remaining, Germany as a nation is irreversibly linked with the wider European and international markets and foreigners are widely integrated in the local workforce.

Employment independent of gender — the case of Japan

It has been mentioned above that Japanese corporations are supporting lifetime employment, but it has to be pointed out that this is generally the case mostly for male workers. Female employees, in contrast, are often hired for only a couple of years, act as a buffer for the male workforce and are first encouraged to resign in the event of economic downturns.⁴³⁾ Due to governmental reluctance to support immigration beyond a certain level, integration of women into the workforce however has become an increasingly urgent issue to tackle. While the need to immediately secure a large number of qualified workers is apparent,⁴⁴⁾ gender equality in the workplace is by far not as advanced in Japan as in other industrialized countries and female employees make up only 29.8% of all permanent employees.⁴⁵⁾ According to a study by Rosenfeld and Kalleberg, there exists a larger income difference between female and male employees in Japan than in North American and European nations.⁴⁶⁾ In many companies, female workers are regarded as “a secondary labour source supplementary to men.”⁴⁷⁾ The term *shomohin* (roughly translated as “consumables”), which describes female workers, indicates the low status of women and the derogatory attitude that exists in some Japanese companies towards their female staff.⁴⁸⁾ Kurosawa and Genda even found that in Japan — differently than in Western industrialized nations — it is harder for women with a higher level of education to find regular

employment than for those with less qualification.⁴⁹⁾ This surprising correlation can be explained by the fact that female employees are likely to be hired for easy office tasks, such as secretary work, which does not require a sophisticated degree. Consequently, there are fewer chances for them to be considered for top level management and administration jobs, for which usually male applicants are given priority. Furthermore, the percentage of females in high level positions in legislature, corporate management and governmental positions is clearly lower than in Western countries.⁵⁰⁾ Some Japanese corporations are still hesitant to promote female workers to higher positions because, as a result, those positions would no longer be available for the male staff.⁵¹⁾ Traditionally, women were confined to their role as housewives and mothers⁵²⁾ and expected to fulfil their potential by raising a happy family and performing household tasks effectively.⁵³⁾ Such traditional attitudes are embraced not by the older generations alone. For example, the World Youth Survey found that among Japanese young people aged between 18 and 24 years, the acceptance of the belief that “Men should work, women look after the home” is clearly more distinct in Japan than in other industrial societies.⁵⁴⁾ Even if female employees are able to get into the rare career track positions, their daily work schedule is often not easy: Many times they are confronted with a male-dominated management and working environment, which can also be seen as one of the main reasons for the high dismissal rates of female managers.⁵⁵⁾ Furthermore, the quasi absence of a secondary labour market results in a problematic situation for female workers, who often quit their companies after child birth, but wish to continue working afterwards.⁵⁶⁾ Due to such difficulties, the general challenge for women to reach top executive positions in Japan is referred to as a “Concrete Ceiling”, alluding to the Western expression of a “Glass Ceiling.”⁵⁷⁾ As Chart 5 below illustrates, the number of female employees within the working population is still considerable lower in Japan than in other industrialized nations, in particular between the

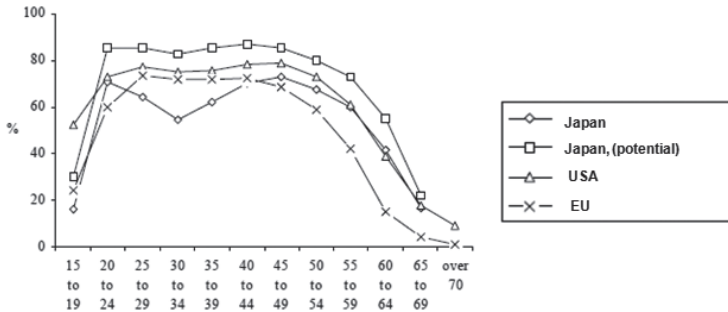


Chart 5: Percentage of female employees in working population by nation⁵⁸⁾

ages of 29 and 40.

Yet, with a growing number of women choosing to have a career and raise a family at the same time,⁵⁹⁾ and because of the presence of issues like low birth rates and an aging society as pointed out earlier, Japan is now forced to no longer neglect women as a valuable part of their workforce.⁶⁰⁾ The Japanese labor market as a whole is little by little opening up to female employees also in higher ranking positions.⁶¹⁾ As the Nippon Keidanren emphasizes, the creation of an environment that allows employees to balance their work with child rearing will constitute one of the main social challenges for Japanese business and society in the coming years.⁶²⁾ Furthermore, Japanese government is now starting to admit the link between falling birth rates and missing gender equality within the working system and has made prominent efforts in constructing a “gender-equal” society during the past decade.⁶³⁾ Some socially progressive companies, such as Nissan, have already embraced the idea of promoting women at the workplace and have declared it their goal to help women develop their careers and to strike a work-life balance by providing childcare, nursing care and home-based telecommuting programs.⁶⁴⁾ Shiseido, one of the largest Japanese cosmetics companies, also has taken a proactive approach towards gender equality and is planning to increase its per-

centage of female managers, which in 2007 was at around 20%, to 25% in 2010 and 30% in 2013.⁶⁵ Consequently, it can be said that there are first indications that Japanese companies are realizing the business case for creating a working environment that allows both genders to develop their careers. While the situation has been improving in recent years, it seems nevertheless still difficult for females in Japan to break the cement ceiling and work in higher management or governmental positions.

Employment independent of gender — the case of Germany

Similarly to Japan, Germany is suffering of very small birth rates, with approximately 1.3 children per woman since the late 1970s.⁶⁶ Therefore, a full exploitation of all available talent, including females, is crucial from the corporate management perspective. In general, German women are highly educated, with 56% of them making up the majority of all high school graduates.⁶⁷ The percentage of female employees is considerable with around 45% nationwide, in Eastern Germany even as much as 47%.⁶⁸ Antidiscrimination legislation concerning gender issues is extensive.⁶⁹ Women account for 21% of the leading executives in Germany and every third manager is a woman. Interestingly, there are considerable differences between the Western and Eastern part of the country: in Eastern Germany, 42% of the managers are women and make up as many as 29% of the key executives, for the Western part the respective numbers are 32 and 20%. This discrepancy is most likely due to East Germany's Communist political history, where women grew up with mothers who naturally continued to work after childbirth and a well-developed infrastructure of childcare facilities. In the Western part of the country however, traditionally more females decided to stay at home and devote their time exclusively to child-rearing. One reason frequently cited for not continuing working after starting a family among Western German women is that childcare facilities are not quite as widely available as

in some other European nations. Furthermore, due to traditional role model thinking, in more than three fourths of all German households, it is still the woman who is doing the traditional housework, leaving less time to devote to the career. Still females tend to spend twice as much time looking after children than men do. Furthermore, from the cultural side, complete gender equality has not been reached in Germany yet: According to a survey conducted by Spiegel,⁷⁰⁾ 68% of Germans between the ages of 18 and 29 years still believe that women have to struggle with disadvantages on the job in comparison to their male peers, because they might still encounter prejudices, have to take care of the family and might be considered less for promotions. The same survey also found that only 23% of all Germans believe that gender equality has been reached and 66% think that there are still areas in which feminism has to be increasingly promoted. At the same time, a whopping 96% of all young German women between the ages of 18 and 29 years are of the opinion that it is “of high importance” for them that “wife and husband share both work and child caring responsibilities on equal basis”. Also, there seems to be a tendency that highly educated women bear less children, with 26% of all women in Germany with a university diploma, in contrast to only 5% of them without a professional education being childless.⁷¹⁾ On the positive side however, due to some innovative political policies in recent years, such as the parental support system for young parents, which encourages fathers to stay at home and take care of their children, the percentage of fathers who have taken leave to devote time for childcare has almost trebled to 9.6%.⁷²⁾

In conclusion, it can be said that some traditional role models prevail, in particular in the Western part of the country, and the lack of childcare facilities can make it problematic in some cases to balance both career and family. Overall however, female employment in Germany, also for top management positions, is common and socially accepted.

Conclusion and outlook

The purpose of this paper was to explore some potential reasons for discrepancies in the shaping of diversity management within corporations in Japan and Germany. As the above argumentation illustrates, the importance and implementation of diversity aspects, such as employment independent of age, nationality and gender, can vary widely depending on the legislative, social and cultural context corporations find themselves in. In some nations, such as Japan, due to a homogenous society, traditional cultural values and a static job market, diversity factors are at this moment only beginning to be considered and do not play a crucial role for enterprises as a strategic dimension yet. In contrast, the example of Germany has illustrated that other nations with different social, governmental and ethnic backgrounds, may create a much more favorable surrounding for the increased implementation of diversity in human resource management. Yet, at the same time, both Japan and Germany are export and knowledge based economies and therefore need to be constantly open to change and new international best practices. For both nations, the question of how well they and their companies are going to solve the challenges of the demographic developments ahead and the integration of other cultures in their society will be essential for their future economic and social flourishing. Even today, first trends towards an increased flexibility of the workforce, coupled on the other hand side with less (job) security for employees, can be observed in corporations, which need to become more adaptable and dynamic in an international market place. This leaves in many cases the individual with an increased responsibility to work on his or her employability, independent on age and qualification, in order to meet the work place expectations of tomorrow. Companies both in Japan and Germany can be expected to pay higher attention to the individual's actual qualification and performance, rather than superficial factors such as gender and ethnic background in the years to come. This may result into new opportu-

nities for many, which until now have been faced with stereotypes from the human resource management side. On the other, an opening up to diversity will most likely go hand in hand with a more performance based management, therefore making the workplace more competitive and setting the bar of comparison not only within the national boundaries, but at an international level.

Notes

- 1) Cf. Lorbiecki, A.; Jack, G. (2000), p. S18
- 2) Source: own chart
- 3) Cf. Robinson, G.; Dechant, K. (1997), p. 24
- 4) Cf. Gandz, J. (2001), p. 3
- 5) Cf. Robinson, G.; Dechant, K. (1997), p. 22
- 6) Cf. Köppel, P.; Yan, J.; Lüdicke, J. (2007)
- 7) Cf. Köppel, P.; Yan, J.; Lüdicke, J. (2007), p. 8
- 8) Cf. Köppel, P.; Yan, J.; Lüdicke, J. (2007), p. 17
- 9) In the case of a publicly listed corporation
- 10) Cf. Köppel, P.; Yan, J.; Lüdicke, J. (2007), p. 18
- 11) Cf. Lorbiecki, A.; Jack, G. (2000), p. S18
- 12) Cf. Abegglen, J. C. (2006), p. 74
- 13) Cf. Auer, P.; Cazes, S. (2003), p. 25
- 14) Cf. OECD (1997), p. 139
- 15) Cf. Abegglen, J. C. (2006), p. 10
- 16) Cf. Ornatowski, G. K. (1998), p. 79
- 17) Cf. Watanabe, H. (1999), p. 11
- 18) Cf. e.g. Takao, K. (2000) and Matsuzuka, Y. (2002) in detail
- 19) Cf. Takao, K. (2000), p. 512
- 20) The Kohai-Sempai relationships refers to the notion that the older, more experienced employee has to guide and supervise the younger, less experienced one, which in return owns respect and obedience to the Kohai.
- 21) Cf. Nakamura, M. (2003), p. 485
- 22) Cf. Recruit Works Institute (2001)
- 23) Cf. McCreeley, A. (2003), p. 1
- 24) Cf. Oe, M. (2006), p. 7
- 25) It is noteworthy that German legislation allows the employer to set a minimum age for certain jobs and training programs (see Alenfelder, K.

M.: Allgemeines Gleichbehandlungsgesetz [General law for equal treatment], from Aug. 18th 2006, §10), but it also clearly grants equal treatment, with youth and the old mentioned in particular, unless the respective job nature has particular requirements (see §8)

- 26) Cf. Frankfurter Allgemeine Zeitung (2006), p.71
- 27) Cf. Institut für Arbeitsmarkt und Berufsforschung (2007)
- 28) As of winter 2010
- 29) Cf. Stolz, M. (2005)
- 30) Cf. Federal Foreign Office of Germany (2007), p. 147
- 31) Cf. Tanimura, C. (2000), p. 15
- 32) People of Japanese descent, for example Brazilians with Japanese roots
- 33) Cf. Tanimura, C. (2000), p. 24
- 34) Nippon Keidanren (2003), p. 3
- 35) Cf. Nippon Keidanren (2003), p. 7
- 36) The percentage of foreigners in Japanese society is 1.7%.
- 37) Cf. Federal Foreign Office of Germany (2007), p. 147 f.
- 38) Cf. ibidem, p. 149
- 39) Cf. Federal Foreign Office of Germany (2007), p. 129
- 40) Cf. Federal Foreign Office of Germany (2007), p. 147 f.
- 41) Cf. Goldberg, A.; Mourinho, D.; Kulke, U. (1996), p. 7 ff.
- 42) An indicator for this for instance has been the recent (fall 2010) debate about Thilo Sarrazin's Muslim critical book "Deutschland schafft sich ab" (Germany is getting rid of itself) and the thereof resulting nationwide discussion.
- 43) Cf. Graham, F. (2003), p. 67
- 44) Cf. Benson, J.; Debroux, P. (2004), p. 35
- 45) Cf. Chiavacci, D. (2005), p. 107
- 46) Cf. Rosenfeld, R. A.; Kalleberg, A. L. (1991), p. 214
- 47) Cf. Chiavacci, D. (2005), p. 111
- 48) Cf. Wokutch, R. E.; Shepard, J. M. (1999), p. 531
- 49) Cf. Kurosawa, M.; Genda, Y. (2001), pp. 10 f.
- 50) Cf. United Nations Development Program (2002), p. 226
- 51) Cf. Wahlin, W. (2007), p. 62
- 52) Cf. Chiavacci, D. (2005), p. 108
- 53) Cf. Taka, I. (1993), p. 51
- 54) Cf. Management and Coordination Agency (1999), p. 124
- 55) Cf. Kawashima, Y. (1999), pp. 529 ff.

- 56) Cf. Nakamura, M. (2003), p. 485
- 57) Cf. Wahlin, W. (2007), p. 58
- 58) Japanese Institute of Labor (2001)
- 59) Cf. Makita, T. (2000), p. 18 f.
- 60) Cf. Wahlin, W. (2007), p. 58
- 61) Cf. Nakamura, M. (2003), p. 484
- 62) Cf. Nippon Keidanren (2003), p. 10
- 63) Cf. Huen, Y. W. P. (2007), p. 373 ff.
- 64) Cf. Nissan Motor Co. Ltd. (2008), p. 61
- 65) Cf. Shiseido Co. Ltd. (2007), p. 1
- 66) Cf. Federal Foreign Office of Germany (2007), p. 137
- 67) Cf. Spiegel Special (2008), p. 36
- 68) Cf. Federal Foreign Office of Germany (2007), p. 142
- 69) Cf. Alenfelder, K. M. (2006)
- 70) Cf. Spiegel Special (2008), p. 23
- 71) Cf. ibidem
- 72) Cf. Foreign Federal Office of Germany (2007), p. 144

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