### 3 Changes in National, Economic, and Corporate Relations

#### 3.1 Characteristics of Postwar National, Economic, and Corporate Relations in Japan

#### 3.2 Germany’s New Economic Order Post World War II

- **3.2.1** Principles of a Social Market Economy and a New Economic Order
- **3.2.2** Currency Reform

#### 3.3 National Investment Aid Policy in Germany

- **3.3.1** Development of the Investment Assistance Act
- **3.3.2** Depreciation System for Promoting Investment
- **3.3.3** Preferential Tax System for Promoting Investment

#### 3.4 Deployment of Anti-monopoly Policies in Germany

- **3.4.1** Influence of the US Occupation Policy on Anti-monopoly Policy
- **3.4.2** Basic Characteristics of Anti-monopoly Policy
- **3.4.3** Significance of the Restrictive Trade Practices Act

#### 3.5 Efforts for European Integration

### 4 Development of the Codetermination System

#### 4.1 Characteristics of Postwar Labor Relations in Japan

#### 4.2 New Framework for Labor Relations in Germany Post World War II

#### 4.3 Corporate Governance Based on the Codetermination System

#### 4.4 Significance of the Codetermination System

- **4.4.1** Improvement in Labor-Management Information Flow
- **4.4.2** Promotion of Cooperative and Stable Labor–Capital Relations
- **4.4.3** Functions as a Safety Net

### 5 New System of Industrial Concentration

#### 5.1 Characteristics of Industrial Systems Based on Industry–Bank Relationships and Large Corporate Groups in Japan

#### 5.2 New Development of Industrial Systems Based on Industry–Bank Relationships in Germany

- **5.2.1** Industrial System Mechanisms Based on Industry–Bank Relationships
  - **5.2.1.1** Banks’ Influence on Corporations Through Credit and Securities Businesses
  - **5.2.1.2** Banks’ Influence on Industry Through Shareholdings and the Deposited Stock System
5.2.1.3 Assignment of Directors from Banks to Corporations ..................................................... 78
  5.2.1.3.1 Information Sharing System and Banks’ Assignment of Directors ............................................. 78
  5.2.1.3.2 Assignment of Directors and Collaborative Relations Among Banks ..................................... 79
  5.2.1.3.3 Assignment of Directors Between Banks and Industries .................................................... 80

5.2.1.4 System of Corporate-Bank and Inter-Corporate Information Sharing Through the Advisory Board System ....................................................... 82

5.2.2 Corporate Governance and Industry–Bank Relationships ............................................................. 83
  5.2.2.1 Collaborative System of Corporate Governance Based on Industry–Bank Relationships ............... 83
  5.2.2.2 Codetermination and Collaborative Systems of Corporate Governance in Industry–Bank Relationships ....................................................... 84

5.2.3 Significance of New Developments in Industry–Bank Relationships .............................................. 85

5.3 New Developments in the System of Large Corporate Groups in Germany ..................................................... 87
  5.3.1 Influence of the US Deconcentration Policy on Monopolies .......................................................... 87
    5.3.1.1 Expansion of Monopoly Deconcentration Policy .................................................................... 87
    5.3.1.2 Significance of Monopoly Dissolution and Restructuring ....................................................... 88
  5.3.2 Development of the Reconcentration of Monopolies ..................................................................... 89
    5.3.2.1 Background of the Reconcentration of Monopolies ...................................................... 89
    5.3.2.2 Reconcentration of Monopolies and Development of Divisions of Labor in Business Domains ....................................................... 91
  5.3.3 Significance of New Developments in Large Corporate Group Systems ..................................... 94

References ................................................................................................................................................... 95

6 Deployment of American Management Education ................................................................................. 101
  6.1 Japanese Characteristics in the Deployment of American Management Education ......................... 102
  6.2 Deployment of American Management Education in Germany ........................................................ 104
6.2.1 Management Education Reform and American Initiatives ........................................... 104
6.2.2 Role of German Universities in Management Education and their Limitations .................. 105
6.2.3 Deployment of American Management Education Methods ............................................. 107
6.2.3.1 TWI Implementation ................................................................ 107
6.2.3.2 Deployment of Top Management Education Methods ............................................. 109
6.2.4 Factors and Limitations in the Deployment of American-Style Management Education ........ 111
References ............................................................................................................. 113

7.2 Human Relations Deployment in Germany ................................................................. 117
7.2.1 Social and Economic Background of Human Relations Deployment ............................. 117
7.2.2 Human Relations Deployment Efforts and Their Characteristics ................................. 118
7.2.3 Human Relations Deployment Limitations and Their Factors ....................................... 121
7.3 Deployment of Industrial Engineering in Germany ....................................................... 124
7.3.1 Development and Impact of Industrial Engineering ...................................................... 124
7.3.2 Deployment of Work Factor Method ....................................................................... 126
7.3.3 Deployment of MTM ....................................................................................... 126
7.3.4 Deployment of the Work Factor Method and MTM in Major Industrial Sectors ............... 127
7.3.5 Characteristics of Industrial Engineering Deployment in Germany ............................ 129
7.4 German Rollout of the Ford System and German Manufacturing .................................... 130
7.4.1 General Conditions in the Postwar Deployment of the Ford System ............................ 130
7.4.2 Deployment of the Ford System and Rollout of Mass Production Systems in the Automotive Industry .............................................................. 131
7.4.3 The Rollout of Mass Production Systems and German Manufacturing ........................ 136
References ............................................................................................................. 138
8 Deployment of the American Method for Adapting to a Mass Market: Marketing, Public Relations, and Operations Research ................................................................. 145
  8.1 Various Japanese Characteristics in the Deployment of American Methods for Adapting to a Mass Market ........................................ 146
  8.2 Deployment of Marketing Methods in Germany ......................... 148
    8.2.1 Influence of American Marketing in Germany .................. 148
    8.2.2 Channels Through Which Marketing Methods Were Learned and Introduced in Germany ................................................................. 149
    8.2.3 General Conditions of the Deployment of Marketing Techniques in Germany ..................................................... 151
    8.2.4 Deployment of Marketing Techniques in the Main Industrial Sectors ........................................................................ 155
    8.2.4.1 Chemical Industry ................................................ 155
    8.2.4.2 Electrical Industry ................................................ 157
    8.2.4.3 Automotive Industry ............................................ 159
    8.2.4.4 Steel Industry ....................................................... 162
    8.2.5 German Characteristics of the Deployment of Marketing Techniques ........................................................................ 163
  8.3 Deployment of Public Relations in Germany .................................. 164
    8.3.1 Overview of the Deployment of Public Relations .......... 164
    8.3.2 Prime Examples of the Deployment of Public Relations ........................................................................ 166
    8.3.3 German Characteristics in the Deployment of Public Relations ........................................................................ 168
  8.4 Deployment of Operations Research in Germany ......................... 169

References ................................................................................................. 171

9 Deployment of a Divisional Structure ................................................... 175
  9.1 Various Japanese Characteristics of the Deployment of Divisional Structure ................................................................. 176
  9.2 Transformation of Business Strategy in Germany: Expansion of Diversification ................................................................. 178
    9.2.1 Social and Economic Background of Postwar Diversification ................................................................. 178
    9.2.2 Advancement of Diversification and Its Characteristics ........................................................................ 179
  9.3 Deployment of Divisional Structure in Major German Industries ........................................................................ 179
    9.3.1 Overall Circumstances of the Deployment of Divisional Structure ................................................................. 179
      9.3.1.1 Expansion of Diversification and Changes in Organization Structure ................................................................. 179
9.3.1.2 Generational Change in Management and Deployment of Divisional Structures .......... 181

9.3.2 Case Studies of the Deployment of Divisional Structures ....................................................... 182

9.3.2.1 Deployment of Divisional Structures in the Chemical Industry and Its Characteristics........ 182
  9.3.2.1.1 Henkel Case Study ........................................ 182
  9.3.2.1.2 Bayer Case Study ........................................ 184
  9.3.2.1.3 BASF Case Study ........................................ 187
  9.3.2.1.4 Glanzstoff Case Study .............................. 190
  9.3.2.1.5 Hoechst Case Study .................................. 191
  9.3.2.1.6 Hüls Case Study ..................................... 192

9.3.2.2 Deployment of Divisional Structures in the Electrical Industry and Its Characteristics .... 194
  9.3.2.2.1 AEG Case Study ........................................ 194
  9.3.2.2.2 Siemens Case Study ................................... 196

9.3.2.3 Organizational Restructurings in Other Industries and Their Characteristics ..................... 197

9.3.3 Deployment of Divisional Structures and Establishment of Internal Control Organizations: Deployment of Controlling Systems and Its Significance ............................................................. 198

9.4 The Role of US Corporations and Consulting Firms in Management Organization Reforms .......................................................... 200

9.4.1 Management Organization Reforms and the Role of US Corporations..... ........................................ 200

9.4.2 Management Organization Reforms and the Role of US Consulting Firms ....................................................... 202

9.5 German Characteristics of Deployment of Divisional Structure ....................................................... 203

9.5.1 Divisional Structure Mechanisms and Their German Characteristics ........................................ 203

9.5.2 Management Traditions in German Corporations and Their Influence on the Deployment of Divisional Structures .......................................................... 205

References ........................................................................................................................................... 207

10 Features and Significance of German-Style Management ....................................................... 211

10.1 Overview of the Total System of Business Management in Germany After World War II .......................................................... 212

10.2 “Re-framing” in the Americanization Process and German-Style Management ....................................................... 215

10.2.1 The “Americanization” of Business Management and German-Style Adaptation .......................... 215
Contents

10.2.2 German-Style Adaptation and the Influence of Business Management Tradition and Culture in the Americanization Process ....................... 220

10.2.3 German-Style Adaptation and the Influence of Institutional Factors in the Americanization Process............................................................. 223

10.2.4 The Structural Characteristics of German Capitalism and the Development of Post-war German Business Management ........................................... 225
  10.2.4.1 Impact of the Characteristics of the Structure of Productive Forces.......................... 225
  10.2.4.2 Impact of the Industrial Structure Characteristics .................................................... 226
  10.2.4.3 Impact of the Market Structure Characteristics—European Market Structure and German Business Management ....................... 227

References................................................................................................................. 236

11 Conclusion: German Corporate Expansion and the Path to European Integration—Germany’s Development Based on Complementary Relationships in European Markets .................... 239

Index....................................................................................................................... 243
German Business Management
A Japanese Perspective on Regional Development Factors
Yamazaki, T.
2013, XVII, 247 p., Hardcover
ISBN: 978-4-431-54302-2