

**Eurasia Foundation International Lectures, Fall 2021 Semester**  
**The Construction and Transformation of East Asiaology” Lecture Series (5)**  
**Title: The Development of Japanese Multinational Enterprises: The Advantages of**  
**PME**

For the fifth lecture of the Eurasia Foundation International Lecture of the Chinese Culture University, I am honored to invite Professor Tsai-Mei Lin, a well-known scholar in the field of international business management and management strategy of international business, as our guest lecturer. Professor Tsai-Mei Lin is a Chair Professor of the Department of International Business Administration at the Chinese Culture University. In this speech, Professor Lin shared her own learning experience from study abroad in Japan and her research on Japanese corporate culture and business philosophy. By sharing her research results, Professor Lin explained the management philosophy of Japanese corporate to students in a simple and easy-to-understand manner.

Today’s theme is “The Development of Japanese Multinational Enterprises: The Advantages of PME.” Professor Lin pointed out: The business philosophy of Japanese companies is that ethics is the foundation and mission of the business. The business philosophy of Japanese companies does not view profit-seeking as the only important thing, but emphasize the goals to make efforts to advance the happiness of consumers, the prosperity of society, and world peace. The philosophy seeks for the balance between “people and work, people and companies” and the long-term interest for “employees, customers and society.”

Professor Lin pointed out that Japanese companies have the following cultural characteristics:

- Paternalism: Emphasize that people and culture with good communication are necessary in interpersonal communication.
- Lifetime employment system: Guaranteeing the employees that they can keep their job so that they maintain high loyalty and culture of team consciousness.
- Ingenuity education: Attach importance to world citizen education, strict quality control and staff training, improve after-sales service with “care,” and supervisors and subordinates have a collective consciousness which is similar to family.

**PME Advantages contribute to Japanese Companies’ Success**

Like the abbreviation “PME” mentioned in the topic, P refers to the business philosophy of peaceful culture (Peace), M refers to management of different cultures

(Management), and E refers to ethics education and training (Education). These three key points are the reasons why Japanese companies can be successful.

#### **Business philosophy of peaceful culture (P):**

With the development of the internationalization of the company, Professor Lin said, “Leaders must have a business philosophy of peaceful culture, in order to obtain the unity of employees from different cultures, like different ethnicities, races, religions etc. The unity is important in improving competitiveness in the international market, and establishing excellent achievements in high operating performance.” In addition, Professor Lin gave examples and analyses of specific deeds from various levels in Japan in class, so that students can quickly learn the essence of Japanese business management.

#### **Management of Different Culture (M):**

The difficulty faced by multinational companies is usually human management. Professor Lin pointed out that the management system of the parent company must be well-integrated with the management system of local enterprises in the country, where subsidiary located, in order to improve employee morale. The more the companies value the business philosophy of peaceful culture, the more likely the companies can be successful.

#### **Ethics Education and Training (E):**

The success of Japanese companies’ education lies in “people,” and “people” are the vessels of the “heart;” thus, the education and training of the “heart” is extremely important. Japanese education and training can be divided into two types: “internal” and “external” ones. In addition to the “external” training which is the general work education and training, Japanese companies pay more attention to the “internal” training, which emphasizes the effect of intrinsic motivation in making efforts for “consumer happiness.” Through the perfect coordination of internal and external education, Japanese companies can achieve the trinity of the highest employee morale, the highest customer satisfaction, and the best operating performance.

#### **International competitiveness of Japanese multinational companies**

In the lecture, Professor Lin used actual data to show that the economic development of Japan in the 21st century has a large trade surplus with the United States and Europe. Japan is not a member of the United States, Canada or the European Union. In addition,

Japan suffers from the threat of action under Special 301 report by the US and faces the obstacles of the high tariffs in the EU. How does Japan improve its international competitiveness?

The answer lies in the success of the “effect of intra-enterprise trade.” Professor Lin indicated that Japan has a high degree of international competitiveness in the three industries of machinery, electrical machinery, and transportation machinery that are exported to the world. Nevertheless, the largest source of business profit comes from subsidiaries in foreign countries, that is, overseas “intra-enterprise trade” and these sales are as much as 3 to 6 times of the sales of Japan’s export.

### **Sharing her thoughts on education**

Professor Lin said sincerely: Education is important because it can guide the “mind of young students.” In the process of studying, students will be taught by different teachers, and then they will get a variety of different knowledge. Therefore, students’ “mind” must be properly guided, and teachers must play the roles of both “teacher of classics (經師)” and “teacher of person (人師)” so that they can change the destiny of a country and control the future destiny of all mankind.

Finally, Professor Lin and the students discussed the definition of “happiness.” Though everyone has different definitions of happiness, the definitions are related to the feeling of “heart.” When we feel happiness, happiness comes. The classmates asked questions enthusiastically, and Professor Lin promised to discuss these issues with students who left their contact information after class. The class enjoyed this lecture very much and it drew a perfect ending to this lecture.

(Web link: <https://eurasia.pccu.edu.tw/index.php>)

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