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CHANGES IN JAPANESE HUMAN RESOURCE MANAGEMENT SYSTEM PART I: CHANGES IN THE POST-WAR ERA

***Abstract:** Lifetime employment, seniority system, Ringi system of decision making, and company trade unions are considered the typical characteristics or features of the traditional Japanese approach to management. In reality, majority of these features are related to human resource management practice in Japan. The paper deals with changes in Japanese management practice in both the post-war era and the lost ten years' era. The post-war era includes about three decades since the 1950's till the end of 1980's. Period of the 1990's till the beginning of the 21st century is regarded the lost ten years' era in Japan. It makes sense to separate these periods as large industrial Japanese companies operated in different business environments in both periods. Changes that occurred in the Japanese management practice during both periods, of course, reflected these differences. Accordingly, the paper is published in two parts. The first part deals with changes in the post-war era.*

***Key words:** American management, human resource management, Japanese management, kanji, management theory, management practice, Ringi procedure*

JEL: M 12

Changes during and after the Lost Ten Years' Era

The lost ten years' era is a name frequently used for describing the Japanese economy development in 1990's. The adjective "lost" is aimed to express the stagnation of the Japanese economy during that period. The financial sector's loan policy is considered the main reason which caused the economy to stagnate. Along with the loan crisis, there were some other factors such as stagnating domestic demand in Japan that destabilized the business environment at that time. There could be a number of reasons for the domestic demand stagnation but in the case of Japan the declining birthrate is considered the most important cause.