

## The Salaried Employee's World and the Worker's World: A Case of Hitachi Ltd., 1910-1936

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### Abstract:

It is widely acknowledged that the standardization of recruitment patterns is most conspicuous among Japanese firms from the viewpoints of international comparison. When the cherry blossoms bloom, masses of young people are entering the labor market immediately after graduating from school and university. This system of "continuous school-to-work transition" is so deeply rooted in Japanese society that companies which hire new graduates regularly every year are most likely to be recognized as "established companies" and have an advantage over eliciting promising youths. Provided that the same shall not apply to companies which adopt hire-and-fire policy and come with retention rate of new graduates very low. Most companies have therefore sought to create a system with new graduate recruits committed to long-term service. Significantly, the system is applied not only to elite employees graduated from highly-selective university, but to low-level white-collar employees and even to blue-collar workers.

When, how, and why did the system arise and become inclusive for all kinds of regular employees? This paper addresses this issue, and seeks to explore the developments of human resources management in the interwar years with a special reference to Hitachi Ltd (founded in 1910). In so doing, attention has to be paid to differentials in treatments due to employee's status rank. Regular hiring started as early as 1912 with an aim to secure university graduate engineers with highly-specialized skills, and from 1920 on, developed into the major route through which the company recruited all kinds of salaried employees including low-level engineers and clerical personnel. Turnover rate of salaried employees, meanwhile, dropped sharply to be as low as 2-3% in the mid-1930's. Workers hired upon graduation, however, constituted only a fraction and worker's mobility was still high. It was only in the postwar years that blue-collar workers got firmly involved in the system.