

# **Japanese Selection System as seen from the Functional View of Educational Credentials**

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# Japanese Selection System as seen from the Functional View of Educational Credentials

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## 1. Introduction

The advent of a higher-education society with an increasing number of students advancing to higher education is a phenomenon shared at least by the world's economically developed countries. The functionalistic explanation is that technical demand and a high educational rate of return based on industrialization prompted this phenomenon. On the other hand, however, we can no longer ignore overeducation nor the demand for higher education not related to technical demand which have come to the fore. In addition, despite a decreasing rate of return, the demand for higher education is increasing. Collins and Thurow attempt to put these problems under scrutiny, paying attention to the role of educational credentials in the process of selecting an occupation. Most of the problems they deal with are the problems innate to American society. (Collins 1971 1979, Thurow 1975). Therefore, while using their approach as reference, we must shed light on the question of how educational credentials have been accepted in Japan. Moreover, in post World War II Japan, it is thought that "the company" was located at the center of this unique Japanese acceptance, as it was not until after World War II that companies, after achieving great expansion, developed a strong communal status nature.<sup>(1)</sup>

This paper's hypothesis taken from the aforementioned point of view is as follows: The demand for higher education seemingly is being brought about by individuals. In reality, however, the phenomenon is led by companies, becoming a demand of an extremely dependent nature. A more innocuous facet is that educational credentials are being used by the will of corporations. Fig. 1 gives an outline of this fundamental relationship.

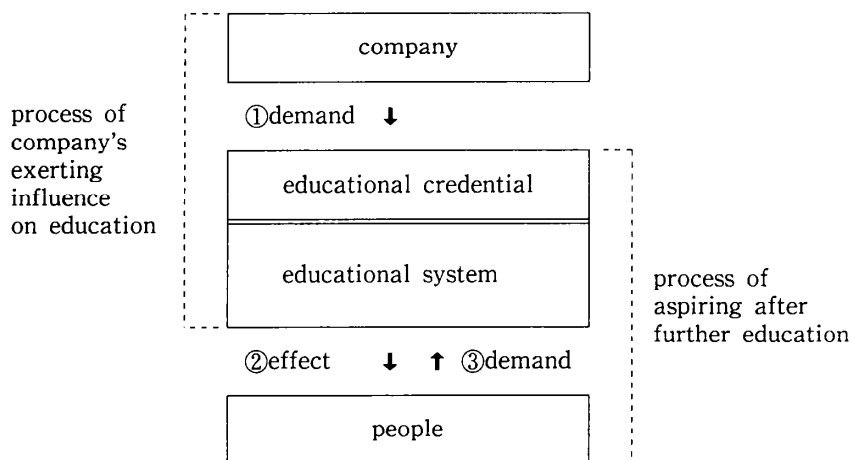
I will now articulate two specific examples: The first is, for a majority of young people today, obtaining educational credentials is not a goal to necessarily set their sights on, rather they passively go about getting a degree as it is something they cannot avoid. Companies determine educational credentials as a requirement for employment. Nowadays, if one does not have a high school diploma, it does not mean merely that that person is lacking in high-school level academic skills.

It has now come to have the far more serious implication that finding work will be difficult. Many young people who seek to go on to higher education are not necessarily determined to

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Fig.1 The Relationship of Educational Aspiration



pursue further education. This kind of educational ‘inflation’ continues to increase, and educational credentials are about to become a right guaranteed by society.

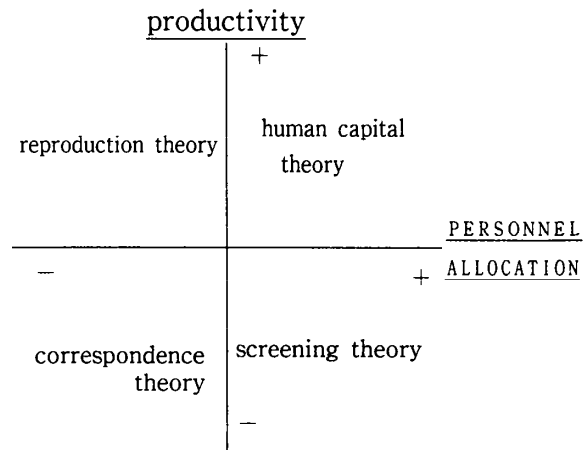
Secondly, looking at where college students hope to work after graduation, most of them choose large corporations. Even if they fail to find work at big companies, working in a large corporation continues to represent an ideal for them. Hypothetically, in the case of Japanese college students, let’s say that their first choice is to work for a large corporation related to finance. But, if they fail to obtain this kind of position, it is now common for the students to, instead of trying to get into a medium- or small-sized company related to finance, alter their hope and try to get into a large corporation in another field (for example, manufacturing, mass media, trading, etc.). Consistency is lacking when making the choice of what industry to get into. In other words, the obsession with large corporations is a salient feature of Japan today as compared to the West. As it turns out, educational credentials in Japan today are really just a permit to get a job with a large corporation.

What must be kept in mind is that, in all cases, the independence and identity of the side that is going to be employed is weak and the side that is doing the hiring, namely the side of businesses, has the advantage. Of course, there are certain to be exceptions in individual cases. The problem is the structured selection style. Below is a summary of the status of educational credentials in Japanese society. I will also attempt to confirm the effectiveness of the screening theory. Next, while taking the position of the screening theory, I will take up the status group nature that has existed in Japanese companies since the end of World War II. This is an attempt to look for what has created a buyer’s market for companies in the market for hiring recent graduates. Furthermore, I will look at how companies become involved in educational organizations through the medium of educational credentials.

## 2. Four functional types of educational credentials

Theories abound as to what effect and role educational credentials play when someone is looking for employment. However, it is possible, to a certain extent, to boldly categorize these theories. Fig.2 shows four categories of theories employing the functions of productivity evaluation and personnel allocation. Because each of these theories has its own unique perspective regarding educational credentials, it was possible to obtain four differ-

Fig.2 Four Theories of the Function of Educational Credentials



ent types. Here, the function of productivity evaluation is related to what degree individual labor productivity is considered. The function of personnel allocation is related to what degree social mobility between classes is considered. In this way, the four representative theories are as follows: the human capital theory (productivity+, personnel allocation+), the screening theory (productivity-, personnel allocation+), the reproduction theory (productivity+, personnel allocation-), and the correspondence theory (productivity-, personnel allocation-).

I will now look at each theory separately. First, in the human capital theory of Becker and his associates, the educational credentials of labors are recognized as an index showing labor productivity (Becker 1975). In addition, high educational credentials ensure that laborers have high skill levels and high labor productivity. This means that investment toward both public and private education brings about an increase in labor productivity as well as a stratification of manpower as individual workers become more skilled. In other words, educational credentials represented by the human capital theory are a sensitive index of both the productivity and personnel allocation functions.

Next, I will look at the reproduction theory of Bourdieu and his associates. According to this theory, the structure of social control is basically reproduced and deliberately developed through the educational system (Bourdieu and Passeron 1970), in other words, educational credentials, institutionalized as social capital, and the cultural capital gained from life experience. The relationships of control can be maintained invisibly by inheritance of both educational credentials and the cultural capital from generation to generation. A prerequisite is necessary with this theory, however, as one can easily assume, because educational credentials are the medium of reproduction. The prerequisite is that an individual's ability and talents are necessarily related to labor productivity. This theory is meant to justify the existing control relationship. Therefore, educational credentials in the reproduction theory are a sensitive

indicator of productivity, but, in reality, they function only rigidly for the function of personnel allocation.

Thirdly, I introduce the correspondence theory of Bowles et al. This theory has much in common with the aforementioned reproduction theory from the point of view of the fundamental composition of the maintenance of control relationships through education (Bowles & Gintis 1970). Nevertheless, the role that education plays differs slightly from the reproduction theory. In other words, in the correspondence theory, education is forced by the side of the controller and is a form of ideological indoctrination. Objective figures, such as labor productivity, are not necessarily the primary meaning behind educational credentials. The problem is of an ideological nature rather than something as concrete as labor productivity. And, it goes without saying that the educational credentials in the correspondence theory only bring about an extremely weak function of personnel allocation.

Lastly, I take up the screening theory. The most salient feature of this theory is the fact that it does not highly evaluate improving productivity as an effect of education.<sup>(2)</sup> According to this theory, educational organizations simply confirm innate ability, and as a result, can only grant educational credentials and academic grades. Therefore, the correlation between educational credentials, academic grades and labor productivity is a weak one. However, this confirmation gives credence to educational credentials and acts to carry out personnel allocation formally and effectively. Furthermore, the Collins theory and the Thurow theory come from this theory; the former theory emphasizes the position of the employer, the latter emphasizes the position of labor.

According to Collins, at the time of hiring, the purpose of the educational credentials that the employer is seeking is to maintain the company as an all encompassing racial, religious and status group. In addition, labor productivity at the workplace is not related to academic success; it is instead based on-the-job-training (OJT) and other in-house training. On the other hand, according to the job competition theory advanced by Thurow, rather than selling their own skills in the labor market, workers merely compete in looking for limited work offered by companies. Supply and demand do not revolve around wages, they revolve around the opportunity for work. The aforementioned correspondence theory and the screening theory both assert that the employer side does not use educational credentials as an index of skill.

Therefore, when we look at this situation, we must decide the most appropriate theory with which to explain educational credentials in Japan. First, the personnel allocation function of Japanese educational credentials is strong. In other words, the personnel allocation of educational credentials functions effectively among young people through the so-called system of “Juken-senso,” examination hell. If that is really the case, graduation from junior high school, high school, or college creates an informal vertical ranking of academic history, and graduating

from first-or second-class schools creates an informal ranking of horizontal academic history. Educational credentials are also involved in making a further detailed ranking. And that ranking determines whether one is employed by a large corporation or a small company.

Second, from the point of the function of productivity evaluation, we must look at how educational credentials operate in Japan. It is certain that when companies and other employers carry out their hiring activities it can not be denied that they use educational credentials broadly as an index to judge productivity. However, in Japan, where the lifetime employment system is the norm and job hopping is still rare, the productivity of each individual worker is not so important. What is required, however, is personal character and the general skills of corporation. If companies do have an interest in productivity, it is only as far as the company as a whole is productive, differing from concern about the productivity of each individual employee. In particular, in Japan, the sacrifice of many workers in the company (for example, obligatory overtime work without pay) is expected to increase the productivity of the entire company. Therefore, when we look at how educational credentials operate in Japanese society, the screening theory is probably the most appropriate.

The screening theory itself merely provides a platform from which to start towards problem solving. The question that must be asked is how the screening theory can explain the Japanese treatment of educational credentials. The key is identifying the main organization that actually screens people. Educational credentials, an index of the screening theory, are granted corresponding to elementary, middle and high school educational levels. Obtaining educational credentials at any of these levels means movement to the next educational opportunity. In particular, in Japan, a rigid system called the ladder educational system is prevalent. This selective system, which reaches all the way from elementary education to higher education, seems at a glance as if it might represent autonomy of the educational system. The concept of democratization, which led education in Japan after World War II including the objective selective system which supported the systematic reality of this democratic ideal, appear to have heightened the autonomous mechanism of the educational system.

When we question once again, however, the screening organizations, we must turn our attention to the party that makes the most use of educational credentials. Formally, the screening organizations are educational in nature, but in actual fact they are companies, abundant in the employment society of Japan. When looking for terms that symbolize post World War II society, Japan has been repeatedly characterized as a "corporate capitalism society", "company society", "corporate society" or a "workaholic society" (Okumura 1991, Baba 1988, Matsumoto 1983, Nihon Keizai Newspaper 1991). As the activities of corporations are now the defining characteristic of the personality of Japanese society, the relationship between companies and education simply cannot be ignored. Furthermore, for-profit com-

panies have a special interests in education. This is a good reason to keep watch over companies, which act as screening organizations.

### 3. Companies as status organizations

In any society at whatever level of development, social classes exist. As is well known, in the many developed countries of the West, firmly entrenched status groups that are the source of this long tradition continue to this day.<sup>(3)</sup> Even in America where the pace of social mobility is dizzying compared to Europe, status groups compete with each other. For example, Collins gives the example of the racial and religious status groups that have become strongly rooted in the U.S. Along with elucidating the mechanism of the structure of those groups, Collins studied the effects on education that the battles between status groups have. According to his main thesis, a sense of unity is essential for individuals to obtain individual identities, and for this reason, various kinds of status groups naturally arise (Collins 1971, p.112 of translation). A status group can be formed based on nearly anything, including race, religion, academic history and birth place. The status groups can be as varied and as many in number as the society allows.

What kind of status organizations can we come up with if we look at Japanese society after World War II? Now, at a time when the legalized status system is defunct, the most recognizable status group is probably the company.<sup>(4)</sup> That company is the Japanese company, controversial because of “revisionism” or the “Japanese-style management theory”. Conclusively, it can be said that Japanese business corporations are status groups that have a certain kind of religious function (Sataka 1990, Akimitsu 1990). This is because the relationship between the individual and the company reaches as far as the private life. And rather than being a rational contractual relationship, it is reminiscent of a religious connection. In addition, we regard corporations to have status functions because one’s reputation depends on to which company one belongs. However, Japanese companies of this nature have not necessarily existed ever since the 1868 Meiji Restoration. Certainly, for-profit companies talked about here are a product of the period of time following World War II.

In general, characteristics of Japanese management are the following: (1) lifetime employment; (2) the seniority system; and (3) in-house unions. Among these, the characteristics of the seniority system and the in-house unions have been brought about by the lifetime employment system. And the lifetime employment system is what regulates the treatment of educational credentials by companies. Therefore, I will concentrate from this point forth on the lifetime employment system.<sup>(5)</sup>

Concerning when the custom of lifetime employment was established, there are many



theories (Hazama 1988). It is clear, however, that the custom was established after World War II. Prior to that war, it was natural that primary labor was clearly distinguished from secondary labor even within the same company in terms of treatment, so that blue collar workers were freely laid off. However, among these workers, horizontal labor markets in each industry were being established and movement between companies occurred frequently. White collar workers, the elite class, were promised lifetime employment, but in any case, these workers represented only a very small faction. After the war, this situation changed all at once. Companies throughout the society benefitted from the decline in agriculture and grew rich. This led to the establishment of a system of corporate control of the working life of workers that reached much further into their private lives.

There were three reasons that companies after the war strengthened their group status character. The first was the breakdown of the "ie" (or familial) system. Concerning class distinctions before World War II, in addition to the common status relationships of the couple, parent and child, and family, the family unit (otherwise called "ie") was recognized by law (Wagatsuma 1970 p.39). The head of the household had the considerable authority to actualize the "ie" and had the responsibility to achieve solidarity with all members that constituted the heart of the "ie" unit. Following World War II, however, under the new Japanese constitution, the social connection called the "ie" disappeared, at least formally. And individuals gradually lost the "ie" consciousness. The significance of this phenomenon is that the preparation toward democratization on the spiritual dimension was prepared. Secondly, the severe decline of agriculture that took place mostly in the decade after 1955 prompted a rural exodus, breaking apart regional communities in rural areas. As a result, many people lost their regional community consciousness, and the many rootless laborers flocked to cities. The third reason was the vast increase of the number of employees that made up the work-force population. The decline of primary industries, starting with the agricultural industry, made a majority of people a member of a company, or a member of company's related family, and through this relationship, a foundation that formed a new self-identity was forged. Due to these three reasons, Japanese companies following World War II absorbed many of the common workers who had been freed of the bonds of tradition. Moreover, the industrial democratization orientation that was the historical characteristic of Japanese management practices after World War II further strengthened the system whereby companies would provide everything for their workers, starting with the custom of lifelong employment. In this way, the company system, sometimes referred to as "pseudo-familialism" or "familial communalism", was formed.

It goes without saying that in companies in the West, human relations are based on reason, with a salient feature being the lack of institutional solidarity. Looking from the point of view of Western logic, Japanese companies are unique. In other words, when looking from the point

of view of behavior patterns, Japanese companies have logic that makes them seem as if they were religious communities. This is because competition between companies is not competition regarding productivity, profitability, or the relative share of labor, but competition that revolves around fighting for shares with other people in the same industry. Or perhaps the keynote is the endless expansion of work of comparing relative indices (against the previous month, previous period, or previous year) with other companies in the same industry. This is an act similar to competition for expansion that takes place among religious sects. Secondly, if talking about the behavioral style of companies, the emotional connection of the feeling of solidarity among workers and the spirit of cooperation can also be mentioned as being a priority in Japanese companies. This tendency is characterized by the labor union system where a union is formed by a company unit within one company and also the recent cooperative alignment between labor and management. This over-unification sometimes leads to overwork and even death on the job, which is very difficult to understand from a Western point of view. This act is much like one of the faithful achieving martyrdom.

If companies are indeed extreme cases of status organizations, several characteristics in the hiring of that organization's members can be given. First, among the so-called first-level and second-level companies, a gap in the social perception of these companies arises. In the case of Japan, generally speaking, first-level companies are major cooperations and second-level companies are medium-sized or small-sized business. Because workers tend toward major cooperations, particularly in Japan, companies enjoy a structural buyer's market in the search for labor. Concretely speaking, it is completely up to the company as to what educational credentials to set for hiring conditions. Furthermore, the greater the company, the greater the buyer's market it becomes.

The second reason is that companies as status groups are essentially closed. As long as a closed labor market is functioning, the educational system where companies train newly hired graduates in the ways of the company will continue to be beneficial. The most efficient way, in fact, of getting the most suitable worker for that company is to deliberately employ screening at hiring time to select workers on the basis of educational credentials. In other words, because larger corporations enjoy a buyer's market, their technique is deliberate.

Thirdly, for each worker it becomes very important as to which company he or she should become a member, as employment is essential to how one acquires status in Japanese society. In addition, to change jobs is to be at a disadvantage in a number of ways, necessitating a very careful choice of initial employment. In other words, the opportunity to determine one's own social status is concentrated in one point of time. This arrangement makes the search for employment by students severe indeed. It is obvious that in the background of the heightening of the demand for educational credentials lies not the desire for education itself but the latent

desire to become employed at a major corporation.

With this in mind, in the negotiations between workers and companies in the realm of hiring activities, companies clearly have the upper hand. Generally speaking, in the case of high schools, official recruiting routes on the side of the high school exist in the career guidance room led by the guidance counselor. Nevertheless, in the case of universities, students and companies come into direct contact to negotiate; the university is not directly involved in the employment process. This is called the free public application system. Nevertheless, even in the case of this application system, it must still be remembered that companies are obsessed with educational credentials as long as they make university graduation a minimum hiring standard. In addition, as long as the hiring practices of these status groups, or companies, are strongly focused on educational credentials, their advantageous position will continue. Next, I want to look at this structure more closely.

#### **4. Selection of company leadership**

When companies carry out hiring practices, they have an overwhelming buyer's market in the relationship with applicant. The situation is reserved, however, for small-and medium-sized companies as large corporations attract away many applicants. Ultimately, most of the people who obtain work with these smaller concerns carry around latent desires to join a large corporation. Therefore, corporations still have a structural (formal) buyer's market when it comes to hiring. In this kind of labor market, the important key for companies and students, as can be understood from the context of the paper thus far, is educational credentials. The following is a study of how companies are taking initiatives using educational credentials as a key and what kinds of effects are produced as a result.

Firstly, I will take a look at what kind of academic conditions most companies demand. The fact that companies have the upper hand shows the establishment of educational credential conditions at the time of employment. Even in America, where, generally speaking, credential criteria for employment are considered more clearly defined than in Japan, employers' standards for judging credentials are vague.(Collins 1971 p.106 of translation) For example, there does not seem to be a clear reason even in the judgment whether to hire a high-school graduate or a college graduate. From the point of view of worker productivity, an opinion exists that graduates from elementary and junior high school contribute largely to productivity but more should not be expected from graduates of colleges or universities (Collins 1971 p.103 of translation, Dore 1976 p.58 of translation, Walters & Rubinson 1983). In the case of Japan, however, the minimum standards for educational credentials for employment for the period from roughly 1955 to 1965 shifted from graduation from junior high school to graduation from high school,

and the shift from high school graduation to university graduation took place in the period ranging roughly from 1975 to 1985 (Inui 1990 p.164, Amano 1982 p.205)<sup>(6)</sup> The key is how these standards for educational credentials are related to the rate of students proceeding on to higher education, in other words, why students sought to further their education. Typically, it is thought that there are different reasons for hiring school graduates and hiring college graduates. As for hiring high-school graduates, one point of view sees it that high school graduation became a minimum condition because workers who are high school graduates have become greater in number than workers who have only graduated from junior high school. The other point of view says that the arbitrary establishment of high school graduation as a condition of employment by business has prompted an increase of people studying at high school. This second reason is probably applicable concerning graduation from the university system, as it is not the case in Japan where the graduates of universities outnumber the graduates of high school.

As a result of most people going on to high school, high-school graduation is now considered insufficient for a condition of employment. This means that companies have led the demand for college graduation. Nevertheless, to actually prove a cause and effect relationship is difficult. What we can point to, however, is the reality that the grading up of the establishment of educational credentials by business creates statistical discrimination. This discrimination almost certainly leads to an increase in demands for students to further their education. Essentially, the demand for educational credentials over and above the necessary level for employment conditions has transformed screening based on achievement into screening based on ascription.<sup>(7)</sup> For this reason, the advantage of companies when they establish educational credentials is essential.

Secondly, companies do not recruit new grads from open labor markets, but directly from the ranks of educational institutions. This tendency for white collar university graduates already started appearing during the period between the Taisho era and the beginning of Showa era, but we had to wait until after World War II to see this recruiting include junior high and high school students as a general trend. There are many reasons why companies are bent on hiring new graduates instead of people who have graduated in the past. The common explanation is that it is easier for companies to train workers who have a clean slate as the company will hire them for the long term based on the system of lifetime employment (Nishida 1990, Nishikawa 1987, Urabe 1989). Nevertheless, it is unclear as to what degree it would be more difficult to train someone who had graduated in the past and was hired in the intermediate stage of employment compared to those who had recently graduated. One has to believe that the tendency toward the hiring of new grads can be interpreted as a function of initiation. A more convincing reason perhaps is that this tendency is a way to maintain the status order within the

company. This so-called “intermediate stage hiring” can be seen as negatively affecting the maintenance of the status order within the company. In other words, this tendency toward hiring new grads is quite simply the choice of extreme corporatism. This practice puts extreme pressure on the new graduate, causing strange actions on the part of university students. For example, if a student cannot find employment in the field he or she is aiming for at the time of graduation, the student will voluntarily delay the date of graduation by one year, or the student will decide to go on to graduate school. It is not uncommon for students to aim to be employed as a new graduate at the end of two years of graduate school.<sup>(8)</sup>

Thirdly, there is the issue of how companies evaluate the major that university students studied. Up until the period when the rate of advancement into university was less than 20 percent, the students hired by companies mainly graduated from departments including law, economics, commerce, and engineering. The reason for that was because compared to students in literature, philosophy or education, “managers had it in their heads that these students are worth more, as far as business was concerned.” (Ushigi 1987, p.236) In fact, they actually were worth more. Therefore, during the period when companies determined what department students should graduate from, this kind of designation became an effecting screening tool. Nevertheless, after about 1975, companies gradually eased designating appropriate university departments, and even though now a university diploma is sought after by companies, it is uncommon for them to ask what a student’s major was.<sup>(9)</sup>

With this situation in the background, companies assume that most college students have the character of salaried employees. If, in fact, the chance for employment is available for students no matter the department from which they graduated, the thought process of high school students that says “what school can I get into” rather than “what do I want to study” will become even stronger because what school one graduates from is considered more important than what one studies. The increase of so-called “involuntary attendance” lies in this kind of mechanism. For example, if we take a look at the ratio of new grads in the office and sales related work, we find that in 1955, 84 percent was made up of people who had graduated from social science related departments. By 1991, the number was 88 percent, an almost identical figure. Concerning this in humanities, the rate was 40 percent in 1955, and 72 percent in 1991, a considerable increase. Concerning those graduating from education, in 1955 it was less than 1 percent and in 1991 it had risen considerably to 31 percent. The trend of companies not to ask about majors at the time of employment has apparently exerted considerable effect on the path that a student chooses.

The fourth point I would like to mention is the system of designating appropriate schools from which to hire. Of course, this system does not exist officially. Despite that, many testimonies to the contrary prove the existence of an actual designated- school system. (Asahi

shimbun Newspaper, 1992) For example, the hiring policies of a certain life insurance company is reported to be the following: “Publicly, we do not adhere to the system of school designation, but in actual fact, the universities from which we will hire people are already determined. These schools number slightly less than 50, and the targeted number of students we hire from each school is also pre-determined.”(Takeuchi 1988, p.7) Furthermore, this company further classifies the universities into which will supply the potential managers, salespersons, and technicians when it hires new employees. After hiring, however, it is usually the case that contest mobility among them rather than sponsored mobility based on this classification is developed. The problem with this designated-school system is its inherent social exclusion. The employment opportunities for people who did not graduate from targeted universities are taken away. If companies are indeed free to hire who they choose, then at least they should publicize the designated schools beforehand.

Originally, the point of view that Japanese companies held about ability was divided into a flock of high talented laborers of limited number and a populous flock of general laborers. What expressed this phenomenon symbolically was the famous economic council report entitled “The subject and countermeasures concerning the development of human ability in economic advancement”(1963). Nevertheless, the boom starting in the latter half of the 1960s and lasting to the latter half of the 1970s that saw a dramatic increase in the number of people going on to university education mass produced college graduates who had, until that time, been regarded as highly talented workers. As a result, companies shouldered the burden of choosing the small number of truly highly talented people from among them. As a result of the compromise between the true purpose of the companies and the public opinion that favored abolishing the designated-school system, the system was swept under the rug. If a certain company has actually decides ahead of time to hire only those people who have graduated from schools that they have designated while officially insisting that they grant equal opportunity for everyone, then those who have not graduated from one of the designated colleges are forced to make extra efforts to seek employment, making this situation inherently unjust.

The fifth point I want to look at is how companies evaluate graduate school. What can be raised as an index to express this in the extreme is whether there actually is a hiring frame that includes graduates from graduate school. According to a survey by Recruit Ltd., 10 percent of the companies surveyed about their hiring practices said that they had a framework for hiring graduate school students who had graduated from the sciences. Only 4 percent of the companies had the same framework for graduates of humanities. (Recruit 1988). For most companies, the graduates of graduate school fall into the same category as university graduates, and there are few special expectations toward these students. Again, according to the same survey, concerning whether the company specifies the major of the graduate student at

the time of hiring and position the company would offer, the largest number, 47 percent, said that for students graduating in sciences “we specify a major, but not the position they will take.” For those students in humanities, an overwhelming number, 60 percent, said that they “did not specify the major or the position.” Especially for the students in humanities, companies are lacking in the attitude that considers the added value brought about by their graduate school education and they are really trying to foster more generalists based on the system of lifetime employment rather than specialists.

This kind of treatment of graduate school graduates by companies affects the path that students choose after graduation. For example, 15 percent of those who graduates from engineering related departments in university go on to graduate school. However, only 3 percent of those who graduate from humanities and less than 1 percent of those who graduate from the social sciences do the same. When looking at the percentages of people who are enrolled in masters programs broken into majors, engineering is the highest at 43 percent (64 percent of the entire body of the three majors science, engineering and agricultural sciences), humanities stands at 10 percent, and the social sciences are at a very low 9 percent. In terms of the capacity of master’s courses, engineering departments are at 122 percent of their capacity while the social sciences are at 55 percent of capacity. (Miura 1991). However, 88 percent of those who have completed master’s degree programs, even in engineering related fields, would choose to be company employees. What these figures indicate is that for white collar employment, university graduation is sufficient as an educational credential. In addition, even in the hiring of employees related to technological fields, companies judge that a master’s degree is enough. One company that hires those who have graduated from graduate school says, “university graduation is enough for us, but because everyone is going on to graduate school, we now have to hire students with master’s degrees.”(Kobayashi 1992, p.32) The attitude of Japanese companies toward people going abroad to earn M.B.A. is symbolic of this. Namely, the true purpose of a company sending an employee in order to get an M.B.A. is merely “giving the employee a chance to come into contact with international ways, not acquiring the business ways of the West.”(Greenless 1992) Generally speaking, companies do not expect that getting an M.B.A. will result in an immediate return regarding business. Furthermore, companies do not increase remuneration for these employees. The reason why Japanese graduate schools are in a weaker position compared to those abroad lies in the fact that Japanese companies do not place much importance on graduate education.

## 5. Conclusion

As stated above, companies have a large influence on education through educational

credentials. It goes without saying, however, that it is not companies that grant educational credentials, but in fact it is the educational organizations themselves. In this sense, it would not be accurate to say that companies directly interfere with education as selecting organizations.<sup>(10)</sup> As the contract parties, the student being hired and the company are equal. However, how companies have manipulated the selection system rules has become clear through the actual examples we have looked at.

There are two remaining problems. One is the consciousness of the side that is being hired. We now know the aggressive influence placed on education by companies, a necessary condition in understanding the Japanese selection system. It is also necessary, however, for us to come into contact with the consciousness of the side that is being hired by companies. And, as long as companies continue to keep this selection system functioning effectively, it is probably a sufficient condition. The key to thinking about this problem is the concept of underemployment. This is defined as the condition where a worker is engaged in work that does not take full advantage of the educational credentials that he or she has acquired. Generally, underemployment will accelerate at the same rate as the rate of overeducation.<sup>(11)</sup> For example, one typical cause of underemployment is the inflation of educational credentials. In Japan, however, despite the fact that the demand for going on to higher education is so deeply rooted, the evil of underemployment is not debated very much. Many college graduates, especially women, are resigned to doing simple labor, a situation unique to Japan. Generally, according to the wage curve of the Japanese seniority system, young workers get paid less than they are worth. But, when workers reach middle age, they get paid more than their ability indicates.<sup>(12)</sup> In other words, the Japanese wage system does not necessarily accurately reflect worker productivity. This reality suggests that the underemployment of young people in Japan is institutionalized into the work system. Put another way, this also means that the self awareness toward an appropriate use of skills for the people being hired by companies is extremely weak. We have to further explore this problem.

The second issue is how companies will respond to educational credentials in the midst of the movement toward the modernization of employment. This kind of modernization, is a movement that will shift companies from a *Gemeinschaft* character to a *Gesellschaft* character through the introduction of an ability evaluation system based on merit. This is a movement that will change the company from a status group to a functional group with contracts serving as the medium. In fact, the shortage of young labor and the excess of middle-aged labor that Japan now faces are forcibly changing the face of Japanese management practices. If this is true, the kind of companies described above cannot help but become more sensitive to labor productivity. In fact, in the organizational structure of the company the specialist system, the merit system and the yearly salary system have all been tried before. In the facet concerning



company hiring policies, hiring by type of work, hiring throughout the year, and hiring without asking for academic records have all been employed at one time or another. However, it will be very difficult for these movements to completely change the status group system that makes up present day companies. In order for companies to change their characters, the breakup of the lifetime employment system must be a precondition, thereby creating a situation where changing jobs would not be disadvantageous for workers in social affairs, rather it would be an advantage as it is in the West. When this kind of situation arrives in Japan, it is possible that educational credentials will be taken full advantage of in the future. Therefore, due to this kind of viewpoint, it will become necessary in the future to seek a procedure for accepting educational credentials.

## NOTES

- (1) While Amano analyzed the role that educational credentials played in the social selection system in pre-World War II Japan, he has not treated the great changes in the social role of companies after World War II. (Amano, 1982)
- (2) In the screening theory, there are many variations. Some representatives are as follows: Arrow's filtering theory (1973), Spence's signaling theory (1974), Thurow's job competition theory (1975), and Berg's (1970), Collins' (1971, 1979), and Dore's (1976) credential theories. In addition the theories of Layard and Psacharopoulos (1974), Riley (1979), Stiglitz (1975), Taubman (1973), and Wolpin (1977) can also be mentioned.
- (3) According to Collins' categorization (1988 p.152), a status group is a community composed of people sharing a sense of identity with a common life style.
- (4) The group based on academic career can be regarded as a statistical one but it is not necessarily a status group.
- (5) Strictly speaking, the lifetime employment system is long-term stable employment that mainly takes place in major corporations.
- (6) During the decade following 1955, the rate of advancement to high school increased to 70 percent from 50 percent (1955: 51.5%, 1965: 70.7%). In addition, by the end of the decade starting in 1965, the rate of advancement to high school had increased to 90 percent and after that gradually increased to within the 90 percent range (1974: 90.8%, 1985: 93.8%).
- (7) Refer to Kajita (1981). The public employee test is limited by age. The reason the establishment of limits based on academic and educational credentials has not been established is considered to lie in this point.
- (8) The employment rate of graduating college students in the spring of 1992 fell for the first time in five years for men and the first time in 16 years for women. On the other hand, the

rate of advancement to graduate school for both men and women reached an all time high (Nihon Keizai Shimbun, Inc., Nov. 7th 1992). There were many reasons for this phenomenon, but one of them was the lack of hiring on behalf of companies due to the economic downturn.

- (9) As of 1990, the number of university departments reached the highest number at 91. Moreover, considering the increase in the number of inter-disciplines departments, it has perhaps become more difficult to inquire of a student's major field of study. It is difficult to imagine, however, that this provides the major reason for the lack of questions about a student's major.
- (10) It is necessary to note that the response of companies regarding employment agreements is something that effects the selection process. From this point forth, the constructive reaction as seen in the college relations programs of American companies is interesting as it is completely different (Saito 1991).
- (11) Regarding this issue, refer to Clogg and Shockey (1984), B.H.Burris (1983), Rumberger (1981), and Sanyal (1987). As a critical analysis of the over-education theory, refer to V.Burris (1983), and Smith (1986).
- (12) Ono considers this to be derived from the cost-of-living security wage structure that attaches more importance to age than skill (Ono 1989).

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## 教育資格の機能的類型からみた日本的選抜様式

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この論文の目的は、企業にリードされた日本的選抜様式を分析することである。一般に選抜理論には、人的資本理論、再生産理論、対応理論、スクリーニング理論がある。これらのうち戦後日本社会の選抜様式を分析するにふさわしいのは、スクリーニング理論である。なぜなら1960年代以降の急激な高校や大学への進学志向は、学歴インフレーションをもたらし、教育資格によって若者がそれぞれの社会的地位にふり分けられる状況が現れているからである。

日本の多くの若者が教育資格を求める理由は、それが一流大企業就職への必要条件となっているからである。一方日本に特徴的な終身雇用制度は企業を閉鎖的身分集団と化し、高い教育資格要件を設定して若者を選抜しようと試みる。この時企業側の買手市場が成立する。今日の日本企業の多くは、学校教育で何を学んできたかということよりも、学校教育の選抜機能に関心をもっている。

この関心は様々な形で、教育システムに影響を及ぼしている。第1に企業が学歴要件を引き上げることで、進学率が高めに誘導されている。第2に企業が新卒採用にこだわることによって、希望の就職ができない学生に就職モラトリアムを強いる結果となっている。第3に企業が採用時に専攻を問わない傾向が、学部教育の性格をあいまいなものにしている。第4にインフォーマルな指定校制度が、就職活動に無用な混乱をもたらしている。第5に企業側からの大学院教育への低い評価が、大学院進学を抑える機能を果している。これらの現象は、企業が教育資格を極めて優位に利用していることを示している。そしてそのことによって、間接的に企業の利害にかなった選抜様式が展開されている。

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