



# Collaborative Practices In Japanese Industrial Systems: A Perspective Of Communicative Reification

*Stream 11: Communication and Collaboration*

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## Introduction: Fallacy of Collaboration

The terms of 'collaboration' and 'cooperation' have favorable recognition in various group contexts: music, sports, schools, and business. Particularly, in the field of management, participative approaches such as TQM, Scanlon Plan, Toyota system, and other involvement programs emphasize cooperation and teamwork, and they became widespread among the Western management. In Japan, 'collaboration' and 'cooperation' are important culturally, and 'harmony' is a priority matter in human relationships. Traditionally, team-based approaches are very popular in socialization process of educational and business settings. Teamwork and harmony in workplaces are core issues in new employee training. In Japan, therefore, collaboration is important in communication within a group as well as between groups or organizations to develop business.

On the other hand, collaboration has emerged in many corporate crimes and business scandals: the case of Enron, for example. Collaborative behaviors to conceal and distort information imply complicity or commitment in corporate crimes. Strong peer pressure of collaboration or consent makes organizational members give up whistle blowing against wrong decision-making. Recently, such problems have been proliferated in Japanese business practices.

Therefore, in this paper, our primary objective is to analyze such fallacy and distortion of collaboration as communication problems and reveal the structural problems of collaboration. When analyzing the fallacy of collaboration in context, first, a cross-cultural perspective is important, and an overview of Japanese collaborative practices is illustrated and considered as fallacious cases. Next, because the concepts of organizational identification and concertive control are well known to criticize team-base work systems, these conceptualizations are discussed to analyze the fallaciousness of collaboration. Lastly, when we suppose that these theories may be enough to interpret the phenomena but not sufficient to explain the generative mechanism of fallacious collaboration, we consider an alternative perspective with regard to power in collaboration. Then, we attempt to explicate communicative reification, not emphasizing a cognitive perspective but drawing upon a historical perspective of Polanyi (1977). Particularly, the present article focuses on the critical perspectives from Marx (1967), and we discuss the paradox of collaboration: organizational commitment and imbalanced power of collaboration in the market society.

## Collaborative Practices in Japanese Industries

In this section, we aim to show some examples of fallacious collaborations that have traditionally occurred in Japanese industries. Although there might be many examples, since Japanese culture emphasizes harmony and teamwork in various business contexts, we select three different types of collaborations that are criticized as problematic or corporate crimes and attempt to depict communication aspects of fallacious collaboration.

### 1. Labor-Management Cooperation

Japanese management systems are often considered as unique and they are different from the Western systems. Three pillars of Japanese industrial relations (life-long employment, enterprise unionism, and seniority wage) are often discussed as the illustration of uniqueness. Particularly, the second pillar is closely related to labor-management cooperation. Many Japanese companies have a union shop; in this system, once a company hires employees, they automatically become members of its corporate union. In so doing, the relationship between a union and management are closer in unionized settings.

Communication between a union and management stand on the basis of enterprise unionism. Full-time union officers are few, so most union leaders work for a company as employees, have supervisors, and have to communicate with them. It means that union officers have daily communication with the management on business. Thus, as it is often said that a union and a company are on the same vessel, good communication and a peaceful relationship with the management are crucial for both parties.

In addition, Japanese industrial relations have another type of communication system, labor-management joint consultation. Similar to collective bargaining, it is organized on the basis of individual enterprise. But it is set up to improve communication and understanding between two parties on areas not so suitable for bargaining such as those related to production and management. In this system, labor indirectly participates in the decision-making process of managerial issues. For instance, a company must provide advanced notice and prior consultation to a union in the case of significant issues. In this sense, both parties make co-decisions. Joint consultation meetings are usually held on a regular basis, but it is sometimes called in case of emergency.

Two organizations conducted a survey of Japanese labor relations to illustrate good communication and cooperative relationships between labor and management. Japan Productivity Center (1999) reports that 94.4% of unionized companies have some form of labor-management joint consultation system. Moreover, according to the survey of the former Ministry of Labor (2000), 41.8% of both unionized and non-unionized establishments have labor-management joint consultation systems, and 63.0% of them consider that this system has had significant effects. In the same survey, 86.2% of establishments considered that labor-management communication is 'important'. Forty-two point two percent of the workers in the researched establishments considered labor-management communication 'good', while 13.0% of them considered it 'bad'. This survey also shows that both companies and workers show their emphasis on 'good relationships in the workplace' in order to realize smooth communication between the two parties: 59.3% and 49.1% respectively. Thus, two different surveys commonly show significance of labor-management consultation systems and that Japanese labor relations are concluded as cooperative. The point is whether the labor-management cooperation is really good for the workers. It is necessary to ask whether the workers are actually empowered by labor-management cooperation.

## 2. Dango System

The next example of collaboration practices in Japanese business is the *Dango* system. In a literal meaning, *Dango* represents a consultation between two or more parties (Kojien Dictionary, 1998) and coming to a conclusion through consultation. In industry, *Dango* is referred to as competitors' collaborative act to maximize their interests in the market (Uenishi, 1952). In the bidding process of public works, it was customary to name a set of designated bidders drawn from a registry of qualified contractors. It was also customary to give them an idea of what the government officials had calculated as the anticipated price, and let them in effect decide whose 'turn' it was and rig the bids accordingly (Dore, 2000). In Japanese business tradition, qualified contractors hold *Dango* whereby "appropriate" price and distributions of the market share are discussed (Takeda, 1994). In this light, *Dango* is a collaborative system in which members communicate with each other to maximize their profits.

*Dango* was often identified in Japanese construction industry. When the government calls bidding for a public construction, politicians or officials collaborate and harmonize with the bidders and prearrange the game (Suwa, 1992). This is a deal between the two parties: Companies receive a guarantee for the job and politicians or officials gain bribes or other sorts of rewards. One of the most well-known cases of such politics-involved *Dango* was the Shizuoka Case (1993), in which the former Minister of Construction and a total of 67 general contractors and local companies had been holding *Dango* for more than a decade (Takeda, 1994). In this case, the former Minister controlled the distribution of construction orders and excluded outsiders, and the companies dedicated billions in bribes for the exchange.

Thus, a fundamental problem is that the whole system conferred great discretion on government officials, and this is more than collaboration; it's conspiracy against the public (Dore, 2000). Crude bribery was a common sense in *Dango*, but since the Antimonopoly Act was enacted, companies are not paying for *Dango*, at least officially, today. Instead, they collaborate with each other by sharing the market and avoiding risky competition. In short, as a collaboration system, *Dango* has two mutually related aspects: Interorganizational communication and social tradition. The *Dango* system is very different from the Western business customs and the Western concept of marketing. Strong collaborative relationship in *Dango* makes Japanese business and market exclusive. Although *Dango* is legally prohibited, it is fixed deeply in the Japanese business structure (Suwa, 1992). In other words, *Dango* is a taken-for-granted or even justified demeanor in Japan (Takahashi, 1952).

## 3. Organizational Deception

Third example is organizational deception in the Japanese food industry. First of all, we should point out that little is known about organizational deception as collaborative practices in the literature, whereas a large number of investigations on deceptive communication have been carried out in the field of interpersonal communication. However,

there were many cases where organizational deception was actually practiced in the industry, such as mislabeling processed dates, use-by dates, breeding information of products, concealing sloppy hygiene management, and so forth. Considering the basic factor commonly seen in the recently revealed cases, here, we would like to define organizational deception as: concealing and distorting some information or injustice actually taken over by organizations. The main purpose of organizational deception would be making profits for the whole organization for the sake of corporate survival. The market liberalizing and the economic depression in Japanese society have increasingly prompted the whole industry to reach the unfair practices. According to the Health, Labor, and Welfare Ministry's annual report (2002) in the year of 2002, around 4,300 cases of Food Hygiene Law and Japanese Agricultural Standards violations were revealed, which included unmarking the designated labels and expiration dates on products.

One of the most striking cases was massive food poisoning of the Snow Brand Milk Products Company revealed in 2000, which allegedly surpassed 15,000 victims. Indicating the social position of the company, the Snow Brand Milk Products was universally recognized as the top farm in the dairy industry. It had unconsolidated sales volume of dairy products drawing sales away from the others in the field, and also acquired absolute consumer confidence in products.

In this case, according to Fujiwara (2002), the three types of organizational members were involved: company's executives, factory managers, and the other workers. The employees in the dairy factory including managers did not have any objection to applying themselves to their own work. According to the press report of the company, when an electricity failure caused the production line of the whole factory to be stopped, the workers were informed that milk was left in the storage tank for several hours, which generated hordes of bacteria. Nevertheless, the contaminated milk was continuously used. The factory manager at the Plant stated he was afraid that producing a large amount of contaminated milk would lead to the wrath of his boss and severe dressing-down from the company, which eventually tended toward distorting information. Despite several calls from customers warning of a poisoning, their arrogant pride as a top brand delayed them in recalling their products and making a public announcement.

Similar scandals in the food industry have been revealed one after another, and this problem is recursive in Japanese industry. Therefore, we would speculate that organizational deception in the industry has not been a personal fault by individuals but has been taking root in structural problems. Moreover, organizational deception is a collaborative effect in an organization. In fact, the staff in an organization is supposed to be engaged in cooperate injustice, whether their duties are recognized as unfair or not, and in some cases, even not informed of their involvement with dishonest practices. Many organizational members take for granted collaboration in the company, but their collaborative behaviors have been distorted in the revealed cases. The business scandals are often

discussed in business ethics, but organizational deception is not so simple that ethics can solve. The focus of these problems is on communication in the organization.

### Cultural Influence on Japanese Business Practices

Three types of collaboration practices in Japanese industry are illustrated in the previous section, and it is necessary to ask what causes the fallacy of collaboration. There might be three plausible explanations. One is cultural effect on Japanese business practices; namely the uniqueness of Japanese culture. Another is a malfunction or byproduct of participative management (team-base work system). The last one is the historical context of society, the generative structure of capitalistic culture. First, the influence of Japanese culture is considered on collaborative business practices.

Although three cases are different in quality, a common aspect might be the influence of Japanese unique culture, which distinguishes Japanese business and management from the West's. The Japanese are more disposed than Americans and Europeans to cooperative rather than competitive, adversarial patterns of relations (Dore, 2000). Dore (2000) articulates clear distinctions between Japanese Capitalism and Western Capitalism, and he describes the Japanese companies' 'community view of firm' and the 'employee-favoring firm' while the Western companies are the 'property view of firm' and the 'shareholder-favoring firm' (p. 26). Ouchi (1981) also theorizes about the Japanese style of management as 'Theory Z'. When he classifies three control systems (i.e., market, bureaucracy, and clan) as social control mechanisms, the western organizations are recognized as the market system on competition while the Japanese organizations are considered as the clan system on harmony.

Abegglen (1985) found the nature of social organization in Japanese companies and described an analogous relationship between companies and family. The "*kaisha* system" that he found is characterized as management system that "has gone farther than others to minimize conflicting interest and to integrate each of the members of a group into a whole that works in the common interest" (Abegglen, 1985, p. 182).

These scholars commonly emphasize the influence of Japanese culture, harmony in particular, that stems from Confucianism and the traditional mentality of a small homogeneous community, so that collaboration is recognized as a core of Japanese organizations. Therefore, the feature of Japanese culture is a powerful explanation for such collaboration practices as Japanese labor relations. However, the factor of 'Japanese culture' does not explain how the fallacy of collaboration is produced and reproduced in Japanese industry. If the uniqueness of Japanese culture is the main cause, it must be proven that the fallacy of collaboration and the related scandals seldom happen in other nations. Like the Enron scandal in the U.S., organizational deception has emerged across countries. In this regard, the fallacy of collaboration is not solely caused by the national characteristics among Japanese.

## Concertive Control and Organizational Identification

Two important concepts, organizational identification and concertive control (Tompkins & Cheney, 1983, 1985), might be effective to analyze critically the fallacious collaboration. Conrad and Haynes (2001) discuss these two as key constructs in *the New Handbook of Organizational Communication*, and they are recognized as the plausible theories to criticize team-base work systems in many communication textbooks (Miller, 1999; Conrad, 1998; Eisenberg & Goodall, 2001; Littlejohn, 1999). Participative management seems to facilitate a democratic organizational form since workers' participation in decision-making enhances their empowerment and workplace democracy. However, Miller (1999) asks whether team-based organizational structures actually work to enact these democratic ideals. We assume that these two concepts are effective enough, neither perfect nor comprehensive, to analyze the fallacious collaboration in Japan.

### Organizational Identification

Communication scholars emphasize the rhetorical aspect of organizational identity formation in a group context, and the construct is discussed with regard to the issue of power and control. Tompkins and Cheney (1983, 1985) are leading scholars initiating this line of study. They theorize organizational identification in the context of group decision-making, on the basis of Simon (1976) and Burke (1969). Drawing upon Simon (1976), they emphasize that identification is central to understanding the ongoing process of decision-making "because the process of identifying leads the organization member to select a particular alternative, to chose one course over others" (Tompkins & Cheney, 1983, p. 124). Drawing upon Burke, they stress rhetorical or persuasive dimensions of identification. While 'persuasion' is the old rhetoric, 'identification' is the new rhetoric, a deliberate device in unconscious process. Namely, an individual may spontaneously act to identify him/herself with an organization, and he or she is open to persuasive communication by an organization. Therefore, "an organization can communicate decisional premises with relative ease to an individual who seeks to identify with the organization" (Tompkins & Cheney, 1983, p. 127).

Identification can shape interpretation in that the degree of employees' identification affects their consideration of what is real or taken for granted in any given situation (Eisenberg & Goodall, 2001). It means that organizational sense-making and communication frames are influenced through identification processes. In other words, when organizational members identify themselves with an organization, they are more or less biased in decision-making. Therefore, the organizational identification perspective may deny that decisions are genuinely made by the free will of organizational members because the members' interpretation has already inclined to the company.

### Concertive Control

These characteristics of identification are closely related with the aspects of concertive control. These two concepts are inseparable to consider each other and

indispensable to consider power and control issues in the field of communication (Papa, Auwal, & Arvind, 1997). Organizational communication scholars often discuss four control systems: simple, technical, bureaucratic and concertive control. When control is embedded in lateral, mission-centered, highly coordinated actions of a comparatively 'flat' organization, a system of concertive control exists (Papa et al., 1997, p. 221). In concertive organizations, the explicitly written rules and regulations are largely replaced by the common understanding values, objectives, and means of achievement, along with a deep appreciation for the organization's mission (Tompkins and Cheney 1985, p. 184). Thus, employees are more likely to accept the organization's premises and make decisions consistent with organizational objectives when employees identify with the organization. Papa, et al., (1997) portray the natures of concertive control as follows.

In such concertive control systems, the locus of control shifts significantly from management to workers who collaborate to create rules and norms that govern their behavior. - - - This collaborative process can be stimulated by top management or by workers who produce a value-based corporate vision statement that team members use to infer parameters and premises (norms and rules) that guide their day-to-day actions (p. 221).

Concertive control thus is formed on the basis of collaboration, not competition, in the workplace. The management fundamentally trusts their employees, and they also help the management, because both parties have a common vision and identity. Therefore, concertive control only can be gained by collaborative relationship in the workplace. Also, this collaborative process is very symbolic in its approaches. Many concertive control systems emphasize corporate identity and images that promote unity and cooperation in the workplace. Control over sense-making and framing among the workers is neither explicit nor articulate, but very subtle and unobtrusive. Therefore, employees are not aware of an exploitative aspect in concertive control systems, so that organizational members take for granted collaboration with management.

In addition, concertive control systems are linked with employee empowerment. "When workers collaborate with one another to create their own social rules, opportunities for individual and collective empowerment can emerge" (Papa et al., 1997, p. 221). Workers' empowerment may lead to more authentic democracy in the workplace. However, this is the irony of concertive control; while workers are willing to participate in decision-making and enjoy commitment to an organization, they may create forms of control that are more powerful, less apparent, and more difficult to resist than traditional control systems (Barker, 1994; Papa, et al., 1997). Thus, concertive control is seen as a double-edged sword.

#### Concertive Control and Labor-Management Cooperation

Concertive control, using organizational identification, is a powerful and elaborate system recognized as a management strategy to control an organization. As a result, the fallacy of collaboration is considered a malfunction of concertive control. On the positive

side, concertive control functions well in labor-management cooperation. When labor and management cooperate jointly to solve some problems that are recognized as crucial for both parties, they give up their own interests and work together under the organizational identity. Labor-management joint consultation systems are good opportunities for communication with each party and enhance identification under enterprise unionism. From the Western point of view, labor and management are basically conflicting because the management is a representative of the ruling class to exploit the labor. An important difference is that Japanese industrial relation systems reflect traditional Japanese culture, and therefore Japanese management well suits the concertive approach better than Western management.

On the other hand, Japanese employees are rarely aware of the negative side of concertive control. These systems minimize employee's opposition and resistance to management. Eventually, Japanese employees are subjugated as corporate men and more powerfully controlled by the organization. Therefore, the truth of concertive control is dubious. In some studies, Japanese transplants in the U.S. are criticized for the negative function of concertive control (Barker, 1999; Graham, 1995). Although they criticize the concertive systems, it is recognized that the concertive control systems have both positive and negative sides, which are concurrent in the workplace.

#### *Dango* and Organizational Deception from Organizational Identification Perspective

Many scholars have pointed out the issues of concertive control in Japanese management, but there has been minimal research on *Dango* and organization deception from a communication point of view. *Dango* is not a concertive control system, but is the mechanism for interorganizational cooperation. Two different identifications are observed in *Dango*. One is identity among *Dango* groups, an association of eligible companies to public works. Although the group members represent different companies, they identify strongly with each other under *Dango*. They have meetings on a regular basis as well as allow for leisure time, such as playing golf. Their strong communication enhances their exclusive relationships, and they protect their benefits from outsiders or newcomers. Therefore, the stronger their exclusive relationship, the stronger the identity. Such *Dango* identity requires a long-term approach to succeed in business because the exclusive relationship in *Dango* is maintained for the long term, as the member companies ignore short-term profits in order to obtain the large payoff in the long run. Cooperation among the market competitors can be explained by unique Japanese culture (Dore, 2000), but identification also plays an important role in Japanese business practices.

Another type of identification exists in the *Dango* system. Each member in a *Dango* group has strong loyalty to the company and he is responsible for achieving profits for the company. Similarly, the group members who conceal the information and deceive the consumers have strong loyalty and identification with the company. In both cases, excessive loyalty to the company makes organizational members lose sight in what is good and what is bad. It is assumed that too much or excessive identity causes a malfunction within an

organization. Namely, the degree of identification is a core of the problem. People have a different degree of company identification that ranges from low to high, and it is hypothesized that someone who has excessive loyalty may cause the corporate scandals. It is meaningful that organizational identification is measured in some business situations, such as consent of deception, and examined in correlation with risk-taking behaviors for corporate survival. Usually, the studies of corporate scandals have been considered in business ethics, but this approach is limited because ethics are generated in and inclined toward organizational identification; the scandals therefore are recursive. It might be effective that the distortion of collaboration is studied to measure the degree of organizational identification.

However, there might be a different aspect in the fallacy of collaboration. For example, the Enron scandal is recognized as a case of organizational deception, but it is not able to find organizational identification in the members of the Enron scandal. This means that the fallacy of collaboration is not caused by malfunction of identification but alternative factors. In the next section, the historical context of capitalism is considered from some critical perspectives because issues such as the Enron problem stems from the capitalistic fallacy and distortion.

#### Communicative Reification

The conceptualizations of organizational identification and concertive control are plausible but not powerful enough to comprehend and reveal the capitalistic fallacy and distortion of collaboration.' Namely, they do not explain how fallacy of collaboration is produced and reproduced in the specific or historical context of capitalistic relationships. We focus more on this contextual process in terms of reification.

#### Reification Defined

Reification is one of three important concepts for critical theorists to consider organizational power: the other two are ideology and hegemony (Mumby, 2001). This conceptualization was originated by Marx (1967) and developed by Lukács (1971). Their works have had significant influence on the scholars who criticized the modern society and cultures. However, the concept of reification has changed over time. In particular, the concept is oversimplified<sup>1</sup> as the cognitive processes among individuals. As a result, the term 'reification' has "normally referred to certain cognitive processes by which an unjustified concreteness, autonomy, facticity, impersonality, objectivity and independence is attributed to various elements of experience" (Thomason, 1982, p. 1).

The original perspectives of Marx and Lukács were different. Marx analyzed the commodity and value forms in the Western capitalistic economy and led his theory to the concept of reification, critically using Hegelian dialectics. According to Marx's value theory, the value in human (social) relations is transformed into the money form and the commodity

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<sup>1</sup> This problem might be caused by Marxist misreading and confusion of alienation, false consciousness, commodity fetishism, and reification (Thomason, 1982).

form in the dialectical process of exchange. He addresses that the development process of the value form end up with the commodity fetishism. In short, reification is the process of dialectical mechanism that social relations are objectified and become thing-like in the exchange system as if they are independent from people's actions. In this process, "the forces of society confront the individual as something objective or ready-made, existing as if it were without their intervention" (Morrison, 1995, p. 77). As a result of reification, the commodity and the money no longer have their simple use value, but the fetishism of commodities occurs when commodities are believed to have powers that surpass their simple use values. For example, the gold is reified and transformed into the money form, which has lost the use value as material, but obtained the value for exchange. Like the fetishism found in the tribal societies, the money and the commodities (neither gold nor products) have such magic power that distort and falsify social relations. The concept of reification is essential in Marx's thoughts (Hiromatsu, 2001), and it has theoretical power to criticize the market mechanism of the capitalistic society.

Lukács (1971) addresses that "the commodity form pervades every dimension of social life, mechanizing and dehumanizing experience such that man's activity becomes estranged from himself and develops a phantom objectivity." Drawing upon Lukács, Mumby (2001) defines reification as "the process through which humanly created structures takes on an objective, 'natural' existence, independent from those who constructed them" (p. 587).

Thomason (1982) states "a methodological conception of reification" (p. 89) could be consistent with Schutz's idea although Schutz never used the term reification. "Things' which are reified are 'reality' not 'things' but are instead constituted and constructed realities, which depend on us for their status as objects" (Thomason, 1982, p. 89). So, common-sense knowledge is considered as constructed and reified by people in everyday life. From constructionists' point of view, reification is therefore defined as the moments in the process of alienation in which the characteristics of thing-hood become the standard of objective reality (Berger & Pullberg, 1966). In other words, reification is objectification in alienated mode. In the approaches of constructionists, Thomson (1982) in particular, there are two points differed from the tradition of Marx and Lukács. One is obscure distinction among reification, objectification, and alienation. Objects (as constituted through objectification) are not obviously different from things (as standards of reified reality), so Thomason (1982) presumes that "being 'object-like' and being 'thing-like' are roughly equivalent" (p. 126). Another is to reduce the critical weight of reification, "any purely methodologically constructionist notion of reification could no longer carry its standard critical weight (reification = falsification, distortion, error etc.)" (Thomason, 1982, p. 5).

Some Japanese scholars may oppose Thomason's notion of reification in these two points. Actually, Japanese academe has a long tradition of Marx studies, and it is often said that the studies about the value theory in *Capital* have peculiarly developed and reached a peak in Japan. Hiromatsu (1969, 1982, 2001) is one of the leading scholars who contributed

to the development of such studies and was an advocator who addressed that reification is a central perspective in *Capital*. Hiromatsu explicitly distinguishes reification from objectification. According to him, 'reification' is specifically used to reveal and criticize the capitalistic mechanism of value systems in the works of Marx whereas 'objectification' is used as a broader concept found in Thomason. Also, 'commodity fetishism' is considered as an aspect of reification. These distinctions are meaningful for our objectives; the fallacy of collaboration is analyzed with regard to capitalism.

In order to renew the conceptualization of reification, first, we point out that reification is not a cognitive process of individuals but a communication process or a process of social interactions by the members of human relationships; namely it is an intersubjective and dialectical process. From communication perspective (Deetz, 1994), all reality is constructed through the communication process. Reification is accompanied by communication process, and our social relations always reified under the capitalistic context. In this sense, second, we insist that 'capitalism' seems to be a 'culture' although it is usually considered an economic or social system. Capitalism as a context always impacts on our knowledge formation, and more or less our common-sense knowledge and sense-making are biased toward the principles of capitalism. Thus, in terms of communicative reification, capitalism works as a culture, so the fallacy and distortion of collaboration become capitalistic.

Reification and Polanyi (1977)

When the relationship between collaboration and reification are analyzed in historical context, a number of insights are obtained from Polanyi (1977). Karl Polanyi was born in Hungary and emigrated from Australia. He is eminent in economic anthropology, and his historical view criticizes the current capitalistic society for the 'over-marketized realm' (Polanyi, 1977). His central point in his critiques is the phantom or illusion of the present market society, and he insists that non-market society has universality for human life. For example, "the phenomenon of exchange is universal only in a market-society" (Polanyi, 1977, p. xix). Although he never used the term reification, he addresses that "the market system violently distorted our view of man and society," and "these distorted views are providing one of the main obstacles to the solution of the problems of our civilization" (p. xvii). His historical evidence obviously indicates reification and fetishism, which distort our framework of sense-making and falsify our communication.

From the perspective of economic anthropology, the institution of the market is very limited in historical context. There are two aspects of the market; one is a place for exchange (sell and buy products), and another is formation of a supply-demand-price mechanism (price-making markets). In the first sense, the market did not exist within a community in the tribal and archaic societies, and it opened at the marginal place between communities on a regular basis, such as monthly or weekly; there was no store for window-shopping. According to Polanyi (1977), three forms of integration in the human economy are historically identified: reciprocity, redistribution, and exchange, and in this

ancient period, reciprocity was the central system and the other two were subsystems. The market based on exchange became central in the modern society. The market is no longer on a regular basis, but instead, people can always sell their commodities at stores. So, in the second sense, the price-making market came to have power, and it affected not only economic activities but also human interactions in general. Namely, “the economy did now consist of markets, and the market did envelope society” (Polanyi, 1977, p. 9). This is the core of the capitalistic fallacy.

“This institutional gadget, which became the dominant force in the economy – now justly described as a *market economy*– then gave rise to yet another, even more extreme development, namely a whole society embedded in the mechanism of its own economy – a *market society*” (Polanyi, 1977, p. 9).

In capitalism, the market is no longer embodied in a society, and it became both economic and cultural systems. In Marx’s value theory, he illustrates the generative process of price-making on the basis of dialectical exchange among commodities, and reification is accompanied by such market formation. In this regard, it is very obvious that the market system of capitalism distorts the collaboration. When communication distorts human relationships in the market society, the organizational members sacrifice themselves for corporate survival and market competition. Therefore, the members reify organizational identity, and the fetishism of organizational identity emerges as fallacy and distortion of collaboration. The organizational members are not aware of it because they are completely enveloped by a market society. Thus, the ‘capitalistic fallacy and distortion’ only occur when the market society is generated.

#### Collaboration and Market Systems

Ouchi’s perspective<sup>2</sup> behind his Theory Z is related to three integration forms of the human economy. According to Ouchi (1979, 1980, 1981), three social mechanisms are hierarchies (bureaucracy), markets, and clans. We found that these three mechanisms are equivalent to Polanyi’s redistribution, exchange, and reciprocity respectively. Three social mechanisms are recognized as control systems over organizational members, whereas Polanyi’s three forms are integration mechanism of human life. Ouchi stresses that Japanese organizations are recognized as clans, which are “intimate associations of people engaged in economic activity and tied together through a variety of bonds” (Ouchi, 1981). There is a common aspect between the clan control and reciprocity in human economy: that is long-term collaboration. Collaboration plays a fundamental role in both clan control and reciprocity. The hierarchical control is relevant to Polanyi’s redistribution, and the key concepts for both are rule and authority. The market control is relevant to Polanyi’s exchange, and the common aspect is competition and independent individuals. As Polanyi

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<sup>2</sup> Ouchi’s perspective is not related to reification or critics of capitalism. We just borrow his perspective of three different mechanisms of social control.

(1977) mentions, the present capitalistic society obviously represents the market control based on economic exchange and competition, so that the clan control and the hierarchical control (reciprocity and redistribution) are secondary under capitalism. However, Ouchi (1981) insists that Japanese organizations use the clan control bound by organizational culture, shared values, and symbols, and it is considered as the advanced control system: more elaborate and powerful than other control systems.

This is the paradox. The clan control and collaboration are not supposed to be a primary mechanism in a market society, but they are successfully used as a primary control system in the modern organizations. Such discrepancy between the clan control and the market control causes the capitalistic distortion, reification. Namely, collaboration generally works well on clans or small cohesive organizations bound by a shared something. In the capitalistic or market society, competition and exchange are fundamental principles and they envelope the clan control and collaboration. In this context, collaborative communication is characterized as social exchange, not reciprocity (interdependence). Therefore, collaboration in the market society is recognized as short-term (temporary) partnership for gaining immediate profit. This is capitalistic or marketized collaboration and different from bona-fide 'collaboration' based on reciprocity and mutual trust in the long-term. Marx's value theory and commodity fetishism attempted to criticize distortion and fallacy of labor, using dialectical rhetoric of value exchange. Similarly, dialectical process of social exchange distorts collaborative communication under the principle of competition and efficiency in the market society.

#### Implication in Japanese Practices of Collaboration

In short, our capitalistic society holds the paradox; the long-term collaboration coexists with the short-term market (competitive) exchange. In terms of communicative reification, collaborative behaviors are intersubjectively distorted and inclined to capitalistic principles through knowledge formation. There are a couple of implications in Japanese collaborative practices.Paradoxicality in the Market Society

The first one is paradoxicality of communicative reification. The long-term collaboration does not fit the short-term market competition. When people attempt to help and cooperate with the counterpart in the market society, they have to sell themselves, obtain the benefits in its exchange, and bring the benefits to the counterpart because of collaboration. In labor-management cooperation, the labor side usually tries to approach the management because of a power imbalance. Employees sacrifice their rights and cooperate with the management. For instance, in the long depression of current Japanese economy, employees are forced to reduce their work time, labor-force reduction, and eventually protect the company. Employees have lost a lot but obtained a few: temporal job security. This collaboration is not bona-fide 'cooperation' based on reciprocity, but it is the temporal partnership and imbalanced cooperation. Thus, labor-management cooperation is distorted.

This is not affected by excessive organizational identification or company loyalty, but affected by the capitalistic fallacy and reification of collaboration.

Similarly, paradoxicality of collaboration is found in organizational deception in Japan. The organizational members who conceal information cooperate to work with a boss and colleagues in order to obtain the short-term profits from the market. They may acknowledge that manipulation of information is wrong and illegal, but they collaborate with each other in order to gain money in the short-run. Collaboration for the sake of social exchange is, thus, paradoxical and it is regarded as reified in the market system. An organizational member has just believed that he/she works to cooperate with colleagues, and it may be very natural for the member in daily communication. However, it turns out to be a different reality, deception to the consumers. The members feel betrayed or tricked into manipulating information. The organizational deception is one of structural and communication problems under the market society, and it realizes Polanyi's presumption that the market system violently distorts one's view of man and society and these distorted views are providing the main obstacles (Polanyi, 1977).

#### Thing-like and Object-like Organizations

One important characteristic in reification is that communication process of dialectical interactions forces us to view our social (human) relations as things or objectives. People naturally work for the company, but they recognize the company as a thing-like entity. Then, a thing-like company works as a symbol to facilitate collaboration. The organizational members reify the company through sharing the meanings and values under a thing-like symbol, so that organizational identification is also enhanced by this symbolic approach. In labor-management cooperation, a company emerges as a symbol that should be maintained by all the members of the organization, and then labor and management jointly solve common problems. As a result, under the symbol of a thing-like company, imbalanced collaboration is executed between workers and management. Namely, a corporate symbol imbalances the power between labor and management, so labor-management cooperation is distorted; the more cooperative the employees, the weaker their empowerment.

A thing-like company also affects the *Dango* system and organizational deception. When an organization becomes like a thing, such an entity gives employees strong peer pressure to collaborate in information manipulation and *Dango* activities. Such peer pressure plays an important role in corporate scandals, and the organizational members constitute their organizational culture to keep watching each other. Peer pressure is enhanced by organizational identification that is formed as a byproduct of communicative reification. In other words, the company seems to be a symbol that the member can see and feel like an objective entity. The capitalistic fallacy of collaboration uses a company as a symbol, enhances peer pressure in organizational culture, and forces consent to social manipulation.

## Formation of Commonsense Knowledge in Capitalism

Our common sense reflects the historical influence, and the formation of capitalistic knowledge is intersubjective and communicative. The process of communicative reification therefore is a part of knowledge formation in capitalistic context. This claim leads to some implications, expanding the reification perspective to the power issue with regard to ideology and hegemony.

People are rarely aware that our knowledge and interpretation (sense-making) reflect capitalistic influence. Our frame of reference on what is good and what is bad heavily relies on such capitalistic knowledge of common sense. This is conceptualized as 'ideology,' which is defined as "taken for granted assumptions about reality that influence perceptions of situation and events" (Deetz & Kersten, 1983, p. 162). So, ideology structures our thoughts and controls our interpretations of reality (Eisenberg & Goodall, 2001). In addition, in terms of hegemony, organizational members are controlled by shaping ideology. Namely, workers' collaboration with management is abused in such a way that the controlled group accepts and actively participates in the control process.

Graham (1995) studied a Japanese auto-plant in the U.S. and found that "the team is the driving structure behind the hegemonic system" (p. 98). The Japanese style of employee involvement programs "does not enhance workers' autonomy as regards policies and practices" (Graham, 1995, P. 137). Workers may have various opportunities to provide suggestions and participate in decision-making, but they ultimately have little voice to change the workplace. From the perspectives of communicative reification and hegemony, it is remarked that labor-management cooperation and participative management weaken or oppress employees.

In the case of organizational deception, knowledge and power are central. The organizational members who deceived the public may not have intended to deceive the public. Namely, they just do a routine work with a boss and coworkers, but it became a different reality: a collaborative work to conceal information. Their routine is common sense knowledge, which is constituted in the process of communicative reification. Like organizational culture, such knowledge is jointly created by organization members. When they naturally use common sense as a routine and people seldom doubt their fundamental premise of knowledge, or a frame of reference, which is reified in capitalistic context. The members who commit to information manipulation take it for granted that they naturally cooperate to work for the company. Their framework has been already forced to prioritize corporate profits first and other issues of the social justice and ethics second. This is the capitalistic common sense, or capitalism recognized as a culture.

Moreover, the management abuses common sense knowledge and organizational culture. In many cases, top management often addresses that they are not directly responsible for organizational deception and pretend not to know the scandals. In this regard, the employees are sacrificed for the sake of corporate survival, and top management

can take advantage of it. Such an elaborate approach is generated in the process of communicative reification and realized as hegemony. Top management does have a strong responsibility to create and abuse the common sense knowledge used in the workplace. The reification perspective helps to reveal the imbalance of collaboration and the hegemony of knowledge abuse in management.

#### Final Remarks and Future Studies

The concept of communicative reification has more strength than the other perspectives, uniqueness of Japanese culture, organizational identification and concertive control. When the fallacy of collaboration can be considered in terms of communicative reification, it comes to the simple conclusion; the capitalism is limited. Communicative reification shows the limitation of the 'market society', which makes the organizational problems structured.

Many business scandals in Japan, including *Dango* and organizational deception, may reflect various factors. Unique Japanese culture may strengthen communicative reification in Japan. Actually, the Western capitalism and Japanese culture have been well mixed in a unique or hybrid management system, but these business scandals also result from the inconsistency between two different kinds of capitalism (Dore, 2000).

The recursive and structural problems in business does not simply occur as a result of management failure. Concertive control and organizational identification is a means of management control, which are very elaborate and powerful. Some communication scholars point out that the negative side of concertive control reduces workers empowerment. However, they conclude that concertive control is accompanied by negative effects but it is rather useful. Many communication scholars fail to look at historical context; limitation of capitalism. Rather, some scholars premise the present capitalistic society as *a priori*. We do not assume that the market society is universal or eternal; we do assume that the present market society is far from the ideal. In this sense, the perspective of communicative reification provides us with a lot of implications in corporate scandals and important critiques against the capitalistic fallacy and distortion.

Some future studies are considered to analyze the fallacy of collaboration. First of all, the phenomena of collaborative practices must be narrowly targeted. In the present paper, we select three different collaborative practices, which are unique in Japanese business customs, but they are not well formulated. The authors are actually planning to conduct the research on organizational deception, so the target phenomena of research must be fixed in the future research.

In the present article, we attempt to lead the concept of reification to the primary issue of critical research. However, this line of research has not been proliferated in communication fields. We have just started critical management studies in terms of communicative reification. Therefore, we cannot follow the conventional methods of

empirical research; preceding research-hypothesis-examination. We had better take an inductive approach. For instance, in order to conceptualize theoretical frameworks, a case study might be recommended through interviews and focus groups.

In terms of communicative reification, theoretical improvement is necessary. The fundamental point is that this notion has not been well discussed yet. So, we should facilitate many discussions opened for this line of critical communication studies. In addition, the conceptual overlap might be clarified with regard to other critical concepts, such as hegemony, discipline, and power. In particular, the communication perspective advocated by Deetz (1994) should be related to study the reification concept and criticize the capitalistic fallacy.

The primary objective in this paper is to reveal the capitalistic fallacy of collaboration, but it is not our final goal. Our research agenda has just started and it is still flexible to conduct more effective research. Our endeavors in the present article and future research will have some contribution to improve our society.

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