

## **Hierarchies, Networks, Markets and Frames: Reconsidering Japanese Business Organisation**

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### **Abstract**

The paper provides an overall discussion of formal and informal aspects of Japanese business organization. It starts out by examining the legacy of Chie Nakane's work on Japanese society, points out certain problems in the formation and reception of her arguments, and suggests that we adopt, instead, an intermediate theoretical framework that makes use of hierarchies, networks, markets and frames as a means of examining Japanese business organisation. These co-ordinates and their interaction are illustrated in the context of the structure and organisation of a Japanese advertising agency and the split-account system that characterises the advertising industry in Japan. It is argued that hierarchies, networks, markets and frames are processes and practices that enable social relations to be continually produced and reproduced in Japanese – and other countries' – business organisation. They enable us to go beyond cultural limitations and make Japanese business comprehensible and of comparative consequence.

## **Hierarchies, Networks, Markets and Frames: Reconsidering Japanese Business Organisation**

### ***Introduction***

Those of us who, in one way or another, study and write about the organisation of Japanese business can be said to constitute a field.<sup>1</sup> The structure of the field of such business organisation sets out for those therein a problematic, or series of questions, which orients the research and activities that take place in that field, and which simultaneously limits the range of questions that are considered legitimate among those concerned. Thus, when analysing different aspects of Japanese corporations, we have found ourselves having to cope with a special vocabulary that includes such phrases as “vertical society,” (small) group and individual, attribute and frame, personal connections, networks, alliances, factions, plus a host of indigenous concepts like *uchi/soto*, *omote/ura*, *tatemaie/honne*, *senpai/kohai* and so on. The question that I wish to pose here is: is it possible or advisable to break away from this vocabulary that has hitherto determined our way of thinking about Japanese business organisation? If so, how should we rephrase our discussions (while recognising, with Bourdieu, that they will always be limited by the field or fields in which we operate)?

I ask this question because nowadays, much more than used to be the case, those of us studying different aspects of Japanese society and culture tend to address our writings to colleagues within our separate disciplines – management studies, sociology, political science, and so on – rather than to others across disciplines who specialise in Japanese studies. There are various reasons for this – some intellectual (a desire to avoid the criticism of “Orientalism,” for example), others institutional (the expansion of university disciplinary departments everywhere to include Japan specialists). The end result is that we also find ourselves having to operate more fully in a second, more general disciplinary, field which itself defines and organises our analyses and thoughts. Take anthropology, for example – an area with which I am personally and professionally familiar and which has had some bearing on how research on Japanese business has evolved over the years. It is a developing awareness and addressing of the general disciplinary field that has enabled some anthropologists of Japan in the 1990s to slip the comfortable confines of good old structural functionalism and embrace the latest fad of (post-)postmodernism (without necessarily fully understanding the object of their new affection). With this mighty Maoist leap, they have managed to bypass structuralism, symbolic interactionism, ethnomethodology, and various other approaches to the study of society that have had great influence in anthropology *per se*, but which somehow were rarely, if ever, taken up by anthropologists of Japan.<sup>2</sup>

Of course, this lesser field of Japanese anthropology has always been located to some extent within the greater field of anthropology. This can be seen in the fact that, perhaps without being wholly conscious of it, analysts of Japanese social organisation have for the most part adhered to the kinds of distinctions made more generally in the disciplines of anthropology and sociology. The interest in Japan's "tradition" and "modernisation" during the 1960s and 70s, for example, owes much to Durkheim and echoes his distinction between mechanical and organic solidarity.<sup>3</sup> Indeed, the focus on apparent conformity among Japanese in both general and specifically corporate environments may be seen to be characteristic of the functionalist approach to social organisation in general. Also, arguments over the merits of a holistic approach and the relative importance to be afforded groups (companies, departments, sections) and individuals (individual managers, employees) in Japanese society can be seen to parallel those surrounding the Durkheimian distinction between "society" and "individual."<sup>4</sup> Following this, the call for a theoretical shift that recognises the importance of social exchange in Japanese society echoed the move already made a couple of decades previously in anthropology,<sup>5</sup> while another reminder that, even in an apparently harmonious society, conflict is an important analytical issue harked right back to early sociological discussions and disaffection with so-called consensus theory.<sup>6</sup>

One result of the shift in fields in which social scientists of Japan now operate is that there is a simultaneous need for new, and loosening up of old, theoretical concepts which might enable us to reconsider Japanese business organisation. Probably, the single most important contribution here has been that put forward by Chie Nakane. In a series of works, she has outlined the structure of Japanese social institutions, focussing in particular on the importance of frame (as opposed to attribute) in (small) group interaction, on one-to-one dyadic relations between superior and subordinate, and on what she has been pleased to call "vertical society."<sup>7</sup> Although her theory has come to be roundly criticised by those who object to what they referred to as a "group model" of Japanese society, the alternatives that they have put forward – based on theories of social exchange, conflict and stratification – can all be said to be linked irrevocably to the ideas of small groups, harmony and homogeneity taken up by Nakane. Therefore, even though the dust may now have settled over debates about the relative importance of group versus individual, harmony versus conflict and/or coercion, and consensus versus exchange, I think it fair to say that, in many respects, her work continues to haunt a number of disciplinary sub-fields within Japanese studies. There is still a sense, somehow, that the Japanese sense of "self" is different from that of people elsewhere.<sup>8</sup> This is what I mean when I say that our thoughts are continually being oriented by the field in which we do our research.

In this essay, then, I want to take up what I see as the partially neglected issue of "Japanese society" in business studies and try to reframe questions about Japanese social organisation.<sup>9</sup> What I say below is not meant as a critique of Nakane's work so much (though that, of course, is also there), as a chance to revisit and reconsider her work because what she had to say was – still is – so important. As I see it, many of us looking at Japan from Europe and the United States got hooked on perceived differences between our respective societies (as did Nakane herself to some extent). As a result, we have not really stopped to examine those other aspects of her work that invite reflection upon the similarities between the Japanese and ourselves. What if, for example, we were to transform the debate over "group" and "individual" into

an investigation into the dialectical relationship between structure and agency, as propounded in Anthony Giddens's structuration theory?<sup>10</sup> How would that change our thinking of the field? What if we really were to take up Pierre Bourdieu's challenge, throw out our present accustomed analytical vocabulary entirely, and look at Japanese social organisation in terms of field, habitus, positions, position-takings, and so on. How can we bring to the topic of Japanese social organisation a set of new variables that will enable us to reconsider the ways in which institutions and people interact in contemporary society. What should those variables be?

My suggestion is that, in reconsidering Japanese business organisation, and social organisation in general, we look at four sociological co-ordinates: hierarchies, networks, markets and frames. I have chosen these, rather than other, co-ordinates because they strike me as being of potential analytical use to a wide range of us working in the broad field of the social sciences of Japan.

Briefly, we may say that in general markets operate primarily to co-ordinate activity *between* social units, while hierarchies have been used to co-ordinate activity *within* organisations. At the same time, however, it is recognised that "quasi-" or "internal" markets exist in some sectors to co-ordinate the internal activity of organisations, while hierarchies can and do exist in the relationships between different institutional or organisational units (*keiretsu* being a case in point).<sup>11</sup> Such corporate ties also constitute networks which, in general organisational terms (if not in *keiretsu* themselves), tend to be informal and "flat." But networks also exist within organisational units, as well as between them, and between individuals as well as between groups or organisations.<sup>12</sup> They help lubricate social relations (usually by means of mutually negotiated notions of goodwill,<sup>13</sup> trust, loyalty and co-operation) and are less anonymous in their operation than are either markets or hierarchies. Although they thereby provide a foundation for deeper relationships, we should also realise that such relationships are not automatic: they must be managed.<sup>14</sup> It is in this managing that we can make use of the concept of frame. Frames refer to principles of organisation which govern social events and our subjective involvement in them.<sup>15</sup> As such, they provide a useful means of looking at how individuals and organisations network and interact. Frame analysis can be applied to any intersection of the other three co-ordinates of markets, hierarchies and networks (and to much more besides).

These co-ordinates I will explore in the following discussion of the organisation of a Japanese advertising agency. I intend to make use of a market process – in the form of what is known in the advertising industry as the account system – to explain various aspects of the Agency's structure, hierarchy and organisation. I will point out how interpersonal relations and networking play an extremely important part in the everyday life of the average advertising man and that these act in dialectical concert with the formal structure of the Agency in which I conducted my research.<sup>16</sup>

### ***The Organisation of Japanese Society***

Japanese society, like human society in general, consists of acting people, and the life of society may thus be seen as consisting of their actions. These acting units may be separate individuals, collectivises whose members are acting together on a common quest (for example, a pop music group or baseball team), or organisations acting on behalf of a constituency (a business corporation or professional association).<sup>17</sup> This

simple, banal statement means that everybody everywhere “impinges” on other people. The problems (for advertising man and anthropologist) are: who impinges on whom, when and why;<sup>18</sup> and (for the social scientist) how to study such impinging processes. There are two basic approaches to the second of these problems in a world-wide context: we view and classify the various aspects of the social world according to the *attributes* of the participants, or according to the *relationships* between them.<sup>19</sup> In the context of Japan, Nakane argues that people place great store on their social relationships since it is these that are crucial to the formation and maintenance of Japanese social structure. On the other hand, “the attribute of the individual is of a secondary matter.”<sup>20</sup>

Rather than the word “relationship” as such, Nakane makes use of the idea of “frame” (*ba*) which she sees as being of “primary importance” in small group identification.<sup>21</sup> In our ordinary, everyday activities, all of us find ourselves going through a series of, often quickly, framed episodes, in which we often have different realm statuses or attributes. To each of these frames (a telephone call, a casual greeting in the street, a lecture, or goodnight story) we bring different attributes (as friend, neighbour, teacher, or father). In each of them we adopt different kinds of behaviour (informal, ritual, formal, or intimate, and so on) as we communicate with different sets of people. In this respect, our lives are like a strip of film, made up of dozens and dozens of laminated celluloid frames that are projected onto our own and others’ consciousness as “life,” where each frame can be analysed according to its channel of activity, the “laminations” given to that activity (to make it seem other than it purports to be), and the status of its participants.<sup>22</sup> We need to be aware of this if we are to unpack, unravel and grasp the meanings that are openly revealed, merely implied, and/or concealed by participants in social actions. As Nakane intimates, Japanese are very aware of the ways in which each frame functions to affect their social behaviour. Indeed, as I shall illustrate towards the end of this essay, they consciously mould both time and space to fit in with these frames – in the office, at school, during formal drinking parties, and so on – and they adapt their language usage to fit in with each frame and stage of action therein.<sup>23</sup> It is this constantly shifting aspect of Japanese social behaviour, therefore, that I believe Nakane is quite right to emphasise by means of the concept of “frame.”

Unfortunately, although she defines a frame as being “a locality, an institution or a particular relationship which binds a set of individuals into one group,” in *Japanese Society* Nakane is concerned primarily with *constant, stable* and *institutional* frames.<sup>24</sup> This enables her then to address issues such as ranking, leadership, fission, factions and one or two other aspects of Japanese social organisation, and to ignore the shifting variables of people interacting in different social contexts. There is thus a contradiction in her usage of terminology. “Frame” is established originally in opposition to what she perceives as the constancy and stability of a person’s “attribute,” but is then given precisely those stable, constant features found in attribute (although it is the institutional rather than interpersonal, or individual, point of view that Nakane stresses throughout her argument).

By shifting her attention to the stability of frames in this way, and by taking as her prime examples such continuing entities as the rural Japanese household or the Japanese company, Nakane creates her own structural-functionalist theoretical frame which allows her to talk of “groups,” rather than of “networks,” “quasi-groups,” “action sets,” or other temporary associations of individuals who find themselves occupying particular frames for particular purposes.<sup>25</sup> This is akin to my trying to

describe *all* relations in the advertising industry by referring only to the formal organisation of “the Agency.” By so doing, I would be ignoring – as we shall see – the personal relations that develop in different ways according to different situations between members of account, marketing and creative teams, on the one hand, and between particular members of the Agency and client and media organisations, on the other. It is these non-constant, frame-bound, personal relations that are involved in a continuous interplay of cause and effect with the formal organisation of the Agency and those other institutions with which it interacts in the Japanese advertising industry.

In other words, by emphasising stable institutional frames in *Japanese Society*, Nakane fails to clarify such processes by which individuals act in different social contexts and so organise their experience. Rather, she resorts to two sleights of hand. Firstly, she claims that *all* ties between both groups and individuals are exclusively one-to-one and that membership of one group will always be preferred over that of others. Secondly, she asserts that such dyadic ties *must* be hierarchical in their organisational structure and so give rise to what she terms the “vertical principle” of Japanese society.<sup>26</sup>

What I quickly learned during the course of my fieldwork in the Agency was that relationships among those working in the industry were neither necessarily one-to-one nor necessarily vertical by nature. Here we need to look more widely at the ways in which networks generally operate for, if there is one thing upon which most other anthropologists seem agreed, it is that the kind of one-to-one dyadic relation which Nakane argues is characteristic of Japanese social organisation as a whole is, in comparison with other types of linkage between individuals, the *least* compact and *least* effective in communication.<sup>27</sup> While inaccessibility may be an acceptable strategy for those playing power games in politics or academia (two areas often cited by Nakane when illustrating her theoretical argument), it is not necessarily so in a business world which sets great store by long-term relations of trust. This is why those working in the advertising industry – and in Japanese business generally – devote a lot of time and effort to “relationology” (what the Chinese call *guanxixue*): establishing personal relations with others with whom they come into contact. They also try to make such relations as *multi*-stranded as possible, since it is their density which makes them effective.<sup>28</sup> As we will see in discussions of account executives and the Agency’s procuring of accounts below, this is as true of the corporate group of the Agency as a whole as it is of individual employees employed therein.

Here we need to clarify another problem surrounding, this time, Nakane’s discussion of networks. In a follow-on book to *Japanese Society*, Nakane argues that networks based on occupations (she mentions medical and religious spheres) are structured hierarchically and that their primary function is to permit the communication of information at the small group level.<sup>29</sup> She then says that such networks in Japan differ from individual-centred networks usually discussed in anthropology since their links are *not* based on individual members but on the small groups to which such individuals belong. They thus differ in both function and size from, for example, Chinese or south-east Asian networks.<sup>30</sup> In other words, “the effectiveness of networks is extremely weak,”<sup>31</sup> so that small group membership takes precedence in people’s interaction in Japanese society.<sup>32</sup>

Although I agree that individual Japanese do often network as members of a small or primary group, as Nakane suggests, I cannot accept her argument that this is the case *all* of the time. Japanese mentally separate those contacts that are being used for

“group” purposes and those that are being used for “individual” aims, but keep all options open. Nor can I concur with the argument that, when an exception occurs, it will be in the context of such traditional and hierarchical social contexts as rural or downtown society where there is overlapping membership of various small groups that have existed over a long period of time.<sup>33</sup> Rather, I am persuaded that – in the world of advertising, at least – Japanese often do network as individuals in situations that are both hierarchical and more egalitarian, in much the same way as do people in the south-east Asian countries discussed by Nakane,<sup>34</sup> if not with quite the social manoeuvring of Chinese *guanxi*.<sup>35</sup>

As can be imagined, during the course of creating their multi-stranded relations, advertising people naturally try to intensify their networks. Here they have two aims in mind. Firstly, they need to anchor dense lines of connectedness within a network among people who come to form a cluster which is clearly *not* based on fission-prone, one-to-one small group relations of the kind described by Nakane.<sup>36</sup> In other words, they try to resolve the basic problem of dyadic relations: whether it is possible for second actors in a single individual’s one-to-one relations to have direct contact with one another *apart* from the individual through whom they are indirectly related.<sup>37</sup> Secondly, they want to extend the scope of their social arteries (*jinmyaku*) so that they can relay from one point of social contact to another until they reach the person who they feel is crucial to the business at hand. Here, contrary to Clyde Mitchell’s argument that a network links a *defined* set of persons,<sup>38</sup> Japanese are *not* only concerned with bounded networks, but wish to create the possibility of an infinite chain of people to whom they can have immediate recourse as and when the occasion demands.<sup>39</sup> In this respect, ideally, Japanese networks have a cumulative effect that improves participants’ manoeuvrability and social position – in much the same way as does the Chinese practice of *guanxi*.<sup>40</sup> Networks are thus instrumental, on the one hand (in that they enable individuals to achieve particular aims), and, on the other, a resource upon which they and fellow members can draw within prescribed limits (involving, for example, calculations of reciprocity laid down by conventions of *giri* and *ninjō*).

Now, as Mitchell rightly points out, the problem for an observer is to distinguish between the *potential* series of linkages that can join together different sets of interests and people in a network, and *specific* transactions that bring a particular set of people together within a total network.<sup>41</sup> Given that “the structure of relations among actors and the location of individual actors in the network have important behavioural, perceptual and attitudinal consequences both for the individual units and for the system as a whole,”<sup>42</sup> we might be advised perhaps, following Adrian Mayer,<sup>43</sup> to distinguish between the totality of a “network” (*jinmyaku*) and specific “action sets” (involving *tsukiai*) operating in different frames with differing personnel and purposes according to the business at hand. My use of “action set” would thus correspond to Nakane’s vision of the “small group” (*shōshūdan*) as people co-operating in work and sharing the same space.<sup>44</sup> To revert momentarily to an old anthropological problem affecting the study of Japanese social organisation: we are, at best, talking about *quasi*-groups, not groups as such.

Let me cite an example. In the context of the Agency’s preparations for a contact lens campaign, the account team formed one action set on its own; another when discussing its proposals with representatives from the client’s public relations department; yet another when its core members were joined by the Product Manager and his subordinates. The account team itself was composed of various action sub-sets consisting of creative and marketing personnel, while the account executive often

worked independently with the Assistant Product Manager and his colleagues in a string of minor meetings. Together they formed a network that could be tapped at any moment for *any* purpose. For example, during studio shooting of a television commercial for NFC, a contact lens manufacturer, the Creative Director discussed details of another commercial for a different account with the President of the production company. The stylist tried to arrange a date between the celebrity used in the campaign and the account executive in charge of the NFC account. The Assistant Product Manager asked the NFC Account Manager about the possibility of buying life insurance at favourable rates, while his immediate boss, the Product Manager at NFC, sought advice on a Bernard Leach pot from the visiting researcher.

In a similar manner, other action sets are continually being formed and dissolved in other areas of the Agency's business. For example, in the middle of the campaign, the NFC account executive found himself discussing a proposal for a new TV documentary series with the Public Relations Manager of a potential client company, together with his own immediate boss (a long-time friend of the PR Manager for whom, among other things, he had arranged the purchase of a house and land in a suburb of Tokyo), the head of the Agency's production department, and one member each of a television station's programming and advertising departments. As is customary in much network and action-set formation, in this particular instance *structural equivalence* was observed between Agency, client and television station in order to enable the different people involved to have a common set of linkages to others in the system.<sup>45</sup> However, the fact that different people interact at different levels in all the organisations involved may well lead to *discordant*, rather than harmonious, relations between institutions. Contrary to the impression left by those convinced of a conspiracy theory between "media" and "big business,"<sup>46</sup> interpersonal relations can, and often do, upset and contradict, as well as reinforce, larger group relations.

### ***Hierarchy: The Formal Organisation of a Japanese Advertising Agency***

The advertising agency in which I conducted research for a year in 1990 is one of the top dozen largest organisations of its kind in Japan. Employing almost one thousand people (of whom approximately three quarters are men), and with branch offices in all Japan's major cities, as well as in most countries in east and south-east Asia, north Europe, and on the east and west coasts of America, the Agency is formally structured into a number of functional offices (*honbu*), divisions (*kyoku*), departments (*bu*), and "rooms" (*shitsu*) or "groups" (*gurāpu*). Together these form a hierarchical structure that is used primarily to co-ordinate employees' activities and thus to establish the Agency as an independent organisational unit within the advertising industry as a whole.

The offices, in the order that they appeared in the 1989 Agency Handbook's organisational chart, given to all new recruits in April 1990, were: Administrative (*kanri*), Accounts and Finance (*keiri*), Communications or Media Buying (*renraku*), Sales or Account Services (*eigyō*), International (*kokusai*), General Information Development (*sōsei Chōkaihatsu*), Promotions (*puromōshon*) and Creative (*seisaku*).

The divisions in each office, and departments in each divisions, were generally given numbers as a formal means of identification (for instance, Sales 7-4-1, for a group working in the fourth department of the seventh division of the Account Services Office), although some were classified in different ways. In the Media



Buying Office, for example, identification was by function – as in the CM (commercials) department (*CM-bu*) in the Radio and Television Division (*rajio terebi kyoku*) – while almost all departments in the Creative Office were identified by the names of their creative directors (e.g. the Ishida Group), and very occasionally by the name of an important client (i.e. the PKW Group).

All in all, there were ten offices (including three for account services), 23 divisions and 82 departments (by whatever name) in the Agency at the time of my research. This meant that on average the minimal unit of formal organisation contained between nine and ten employees (since the total employment figure included those working in the Agency's branch offices elsewhere in Japan), although the Account Services, International, Marketing and Creative Offices usually operated with smaller units of five to six persons. This formal structure had been going through a continuous process of adaptation and change as the Agency prospered during the 40 odd years since its founding. It has been changing since the time of my research and in 1999 faces some further large-scale organisational restructuring as a result of certain business acquisitions and tie-ups. At present, however, the structure has yet to shift from its present emphasis on operational offices, divisions, and departments.

If we look more closely at the ways in which each of the small operational units (groups, rooms and teams) is formed,<sup>47</sup> we find that the latter are given a numerical classification according to their office, division, and department, although groups, rooms and teams can also be recognised by the names of their leaders, on the one hand, or by those of an important client, on the other. However, since the Agency handles more than 600 accounts at any one time and since accounts are continually being won and lost, it makes more sense to make use of employees', rather than clients', names in designating operational units in the Account Services and other offices. Thus, "Honda's Group" consists of a Mr. Honda, together with anything between two and five other employees who, in various combinations of people, handle as many as half a dozen, but more likely two or three, accounts – depending on their size and importance. Each individual account executive, therefore, might find his or her self working on a computer manufacturer's corporate identity account in the morning, visiting a foreign porcelain company over lunch, and struggling with a contact lens advertising campaign in the afternoon, before catching up in the late afternoon or early evening on what has been happening to other accounts handled by members of the section. The same can be said of Agency employees working in a "room" or "group" in the Creative, Promotions or Marketing Offices.<sup>48</sup>

The person in charge of co-ordinating the various accounts handled by members of his department is usually a senior account executive who has procured the accounts for the Agency in the first place. In other words, in the Account Services Office, promotion is based on the successful acquisition of accounts. These are always measured in financial terms. In 1990 an individual account executive was expected to "bring in" ¥400 million a year. If the sum total of a group's turnover exceeds this average per employee – in particular if a member of the group succeeds in acquiring a prominent new account – the group leader and/or the successful account executive will be promoted. In the latter case, a new "group" may be established, so that, in the International and Account Services Offices, the Agency's overall success brings with it a continually expanding organisational structure framed around successful individuals. In other offices, a similar organisational ethic of individual success prevails. Creative groups are headed by copywriters or designers whose ads have "worked" (in the sense that they have pleased their clients and led to accounts being

increased in size and/or number). Marketing, promotions, or general information development groups are led by men who have successfully restructured clients' sales and development strategies.

Finally, it should be pointed out that, although the Agency formally structures its personnel in a hierarchical series of offices, divisions, departments, and groups, it also operates for every account an alternative "flat" grouping of personnel called an *account team*. Each team includes at least one account executive, who is in direct contact with and communicates the wishes of his or her client, and – as appropriate – members of the marketing, creative, media buying and promotions offices, each of whom contributes his particular expertise to the client's proposed campaign. Thus, while "group" refers to the formal long-term and hierarchical organisation of different accounts within the account services division (as discussed above), "team" is used for the less formal horizontal inter-divisional organisation of people working on a single campaign belonging to one account. It is the use of account teams that permits a fuller integration of personnel otherwise assigned to different divisions within the Agency and which leads to a number of informal contacts among people who would otherwise remain apart.

### ***Decision Making***

Other ways in which the formal hierarchical command structure in the Agency is "flattened" are to be found in decision making processes. The primary aim of the Agency is to increase its turnover. In the context of the Japanese advertising industry, where advertisers split their accounts by various means among several different agencies, this meant that the Agency has to increase the value of its current accounts, as well as procure new accounts from existing or new clients. In order to do this effectively, the Agency's CEO (now Chairman) believes that his employees should be able to make snap decisions without referring to senior managers and that every employee should thus be totally responsible for his or her work. This policy is summarised in the phrase "*zen'in keieishugi*," or "all personnel business management-ism."

*Zen'in keieishugi* does not allow employees total and arbitrary freedom of decision making, since in fact all junior employees report back to their immediate seniors on decisions taken with clients. The latter in turn report controversial matters to their department and/or divisional managers who, if necessary, talk things over with office chiefs. Thus, actions taken in the business "field" can be passed up the Agency's line of command to the CEO himself if they have wider implications for the Agency as a whole. However, *zen'in keieishugi* does enable an account executive – and the system was formulated with account executives in mind – to carry out negotiations with clients or other companies in the knowledge that what is agreed will in all probability be supported by his bosses. It therefore provided those working in the Agency with an effective means of allowing negotiations over advertising, sales and promotions campaigns to move forward without every new idea being subject to a "wait and see what my bosses think" attitude. It may well be this hands-off attitude with regards to decision making by the CEO that has made his Agency so successful in the advertising industry as a whole. Certainly, it gives all employees a certain sense of pride and satisfaction in their jobs.

As can be imagined, *zen'in keieishugi* interacts with a more formal hierarchical chain of command. Every week, each group, department, division and office meets to discuss and evaluate matters affecting itself as well as the Agency as a whole. Deliberations, decisions, and (dis)agreements made at one level are then passed on up and down the organisational line during the following week's series of meetings. Group meetings are chaired by the group leader who himself (and in 1990 group leaders were all men) then attends the department meeting as representative of his group. Department heads in turn represent their sections at the divisional meeting, and divisional chiefs their divisions at the offices meeting. Heads of offices are all *ex officio* members of the Board of Directors, which also meets weekly under the chairmanship of the CEO.

Such indirect forms of communication of information among different structural levels of the Agency are backed up by one or two more direct gatherings designed to bring together everyone in the Agency. The CEO, for example, addresses all members of the Agency on the first Monday of the month at 8.30 in the morning. Attendance is not compulsory, but usually three to five hundred employees will come to listen to their boss each month – the difference in numbers being attributable in large part to business travel or the pressures of work (e.g. the need to complete preparations for a presentation). During his half hour speech, the CEO will pick out a particular event that has occurred during the month (for instance, a rise in the price of oil or a drop in bank interest rates) and proceed to expound on its significance to the global and Japan's economies, before showing how it might affect the Japanese advertising industry overall and the Agency's business in particular. In this way, employees are kept abreast of developments that might affect their working environment and are encouraged to be aware of potential difficulties and pitfalls in order to enable the Agency to continue to advance in its march towards the top of the industry's ladder.

In addition to these formal weekly meetings that link every employee in the Agency to a network of information disseminated by the CEO and his Board of Directors, there is also a weekly briefing of upcoming advertising vacancies in print and broadcasting media as a result of new or special programmes or publications, or of a sudden decision by a sponsor to withdraw its advertising for one reason or another. These briefings are participated in by all departments in the Media Buying Office and are attended for the most part by members of the International and Account Services Offices, but also by those in the Marketing, Promotions and other related offices since they provide Agency staff with a useful rundown of new media initiatives designed to meet the needs of the advertising industry.

### ***Goals, Rules and Policies***

As part of their formal organisational practices, corporations tend to set out their goals, rules and policies for employees to follow. The Agency is no exception to this general rule. Precisely, perhaps, because of the comparative freedom afforded an employee by the policy of *zen'in keieishugi*, the Agency ensures that its account executives follow strict procedures with regard to the handling of accounts. To this end it publishes a "business manual" (*gyōmu manual*), which is handed out to all employees, detailing the exact steps (or "basic flow") to be followed in the handling of an account – with the client company, media corporations, and other companies (e.g. production) involved. This manual is divided into seven parts. Part 1 contains

detailed information on when and how to fill in a campaign estimate, and the order of people to whom it should be sent within the Agency before being given to the client. It also shows how employees should complete an order for television or radio spot advertising, as well as a payment slip upon completion of broadcast. Then it outlines all kinds of invoices, receipts, business contracts, reimbursements for expenses and so on which an employee might be expected to deal with.

Succeeding parts of the manual are devoted to the work of the various offices in the Agency (media buying, SP, creative, and so on). Each of them starts with the phrase: "The work of the ... office begins with a written request from the Sales [Account Services] Office," thus emphasising the importance of accounts to the prosperity of the Agency. For its part, the section on account services points out what makes the advertising industry the industry it is and what makes the Agency the kind of agency it is. It then reveals some basic philosophical principles. "The Agency is the advertiser's representative so far as the client is concerned, and must thus ultimately take responsibility for what it does or does not do." "Precisely because it deals in products that are not concrete and that cannot be easily stabilised, the Agency has to sell 'satisfaction.'" "Turnover consists of the number of visits multiplied by the time spent visiting, together with the quality of clients multiplied by the number of clients." And, "the advertising business ultimately consists of increasing profits and turnover by doing good work." These principles mean that those employed in the Agency should work for their seniors within the organisation as well as for their clients, combine the "good naturedness" of the salesman with the "able-ness" of the businessman to be "idea men," and to this end should "never lie." There are three things that they should never be afraid to say: "I don't know;" "I need help;" and "I made a mistake." Information, communication and consultation are seen to be the three essential prerequisites for an advertising man and should be used properly, both within and outside the Agency. Ultimately, work is something employees "create" for themselves; not something they are "assigned."

Other parts of the manual devoted to media buying, marketing and creative work are often more practical in their approach to the work in question. Thus, media buyers are told how to prepare a media plan on the basis of a client's campaign request, and what points to take into consideration (target audience, media type, frequency, range, geographical area, and so on). They are also reminded that their client's interests should always come first and that they must devote themselves to ensuring that other agencies' clients are not given preferential treatment in the placement or timing of advertising by publishers or stations. They should also be aware that those they deal with in media organisations have to operate according to their own sets of rules, which must be studied and understood to enable successful negotiations to take place.

For their part, those working in promotions are advised on when estimates for work subcontracted to other companies are or are not required, and on whose approval within the Agency is required for what work (i.e. department head for work up to ¥500,000 or office chief for work over ¥5 million). They are also told when contracts *must* be drawn up between parties concerned (outside media, construction companies and celebrities), and who is responsible for their wording and signing in order to avoid responsibility in the case of accident, late completion, or personal failing (as when the actor Katsu ShintarÇ was arrested for possession of drugs by customs in Hawai'i when contracted to appear for a Kirin beer campaign).

Even the manual's section on creative work details the steps to be taken in the appointment of a creative director and creative team, the way in which their work should proceed, how it should be reviewed by senior management, and who needs to approve various levels of expenditure on presentations to clients. Employees are reminded of various points connected with their work – from use of celebrities to music copyright by way of advertising codes that must be followed – and, as with all other offices in the Agency, advised to ensure that financial matters are dealt with properly. “Creativity” as such is not mentioned.<sup>49</sup>

### ***Networks: Interpersonal Relations in the Agency***

Let us now turn to informal organisation within the Agency. Clearly, *people* are extremely important in the advertising industry, both in Japan and elsewhere. Given the nature of advertising work and its demands for the acquisition and relaying of information, as well as the five “Ps” of persuasion, promotion, prestige, profit and power,<sup>50</sup> it is not surprising to find that interpersonal relations play a crucial part in the lives of those employed in the Agency.

Such interpersonal relations take a number of different forms and have a number of different aims. In the first place, they are used to obtain – and then increase – accounts. These do not appear out of thin air, but need to be massaged out of corporate managers who are never really sure whether advertising “works” and who may well be more worried about their own jobs and promotion than about their company's best interests. This massaging is done by the account executive who spends a lot of time visiting prospective clients, first trying to get his foot in the door, then slowly building a suitable “atmosphere” (*fun'iki-zukuri*) of trust and friendship that will encourage them to part with their money. To this end, account executives (and other members of the Agency – in particular, media buyers and managers) will do all sorts of things not normally seen to be connected with advertising *per se*. For example, they will go out of their way to attend, or even assist in the preparation of, funerals of those connected with client or media organisations. They will pay the occasional visit to the wives of those with whom they are conducting business (to give them free magazines, for example, or hand out tickets to some cultural exhibition organised by the Agency). They have even been known to help business partners find a suitable plot of land on which to build a family home (whereupon, as neighbours, they can exert moral pressure on the partner to give the Agency a larger advertising account).<sup>51</sup> And then, of course, there are all those other “extra curricular” activities for which Japanese businessmen are known: late night drinking in *karaoke* bars, the occasional round of golf, and a strenuous string of lunches and dinners when (potential) customers are entertained at the Agency's expense.<sup>52</sup> As every good account executive knows, he should expect to “eat three lunches a day” if he wants to be successful (*mido meshi o kuwanai to dame*).

Such extra-curricular activities are designed to lead to informal, long-term relationships and are thus instrumental by nature. But this part of the Japanese advertising man's business ethic is not just an ideological dream. Trust, partnership, friendship even, *can* exist.<sup>53</sup> There were three or four occasions during the course of my fieldwork when I was invited to join a senior manager for meals with would-be clients and noted there a warmth and mutual personal understanding that went far beyond everyday flattery. On at least two occasions, those being entertained were not in a position to begin to think of offering their advertising accounts to the Agency

(because they worked for multinationals that had a world-wide policy with regard to contracting of their advertising campaigns). Yet members of the Agency continued to meet them from time to time, to exchange information and perhaps a little gossip, to talk about the latest opera, to worry about the economy, and so on. It is this kind of “human chemistry” that is a vital part and ultimate aim of every good advertising man’s dealings with his potential clients. The (in)ability to work well with one’s opposite number can help win (or lose) an important account.

So, an account executive visits his product manager every day not just because he is handling all sorts of different aspects of a campaign for the client, but because he wants to learn what is going on in the other’s mind. He thus wants ultimately to work as “partner” with the client (who for his part probably prefers to see his company as less equal in status and thus more of a “sponsor”).<sup>54</sup> Ideally, an account executive should be able to stand in for the product manager if the latter falls ill on the day that he is due to address his national sales force. That is how close the relationship between agency and client should be in the eyes of a good account executive.<sup>55</sup>

A second aspect of these interpersonal relations is also instrumental, but more obviously for others than for oneself. An advertising man does his best to create a web of contacts (or *jinmyaku* in Japanese), not only for his own use, but to enable himself to be of use to others in his network (and thus, of course, hopefully further his own ends in the give-and-take of personal relations). An advertising man who can recommend and obtain favourable rates for a resort hotel, who can locate a much-sought-after antique, or who can find the right sort of job in the right sort of company for a client’s recently graduated daughter, is a man who has a “broad face” and is thus afforded a certain mixture of envy and respect. It is this web of informal contacts that not only helps others achieve their aims and desires but also provides an advertising man with social stature.

Thirdly, interpersonal relations have structural implications. Precisely because the Agency is awarded accounts because of the *personal* relationship established between an account executive and his opposite number in a client company, the *institutional* relationship between Agency and corporation needs to be cemented. After all, as the Agency learned to its cost when it lost the PKW account,<sup>56</sup> personal relationships can go awry. The advertising manager in a client company may be promoted and his replacement may not take to the Agency’s hitherto successful account executive. Alternatively, an account executive may inexplicably say the wrong thing at the wrong time and alienate his business associate in such a way that trust between them breaks down and the client calls for a competitive presentation that the Agency loses. To avoid such repercussions, the Agency needs to create back-up lines of communication between itself and the client company. This it does, firstly, by ensuring that the immediate bosses of the account executive and advertising manager get together and start to cement their personal ties; and secondly, by arranging in due course for what it calls “*shach*Çplay” where the Agency’s CEO will meet the president of the client company over lunch or dinner, thank him for being so kind as to allow the Agency to take on part of his business, assure him of the Agency’s fullest attention and respect, and generally try to ensure that he leaves the other with such a favourable impression that, in the event of personal conflict at a lower level of their respective organisations, he will rule in the Agency’s favour.

Such high level contacts can also be used in an indirect manner to help the Agency when it is in trouble with a client’s account. For example, when faced with

the prospect of making a competitive presentation to a European car manufacturer, PKW, because of its failure to satisfy its client, the Agency's CEO spent considerable time in the company of directors of a Japanese car manufacturer which was already one of the Agency's largest and oldest clients. The aim here was to persuade senior managers in the Japanese client company to talk directly to those in the European company – something that they were well able to do because of a research and sales tie-up that had recently been agreed between the two organisations. Since the Agency did not have direct access to PKW's top management in Europe, it prevailed upon its Japanese client to act as a “pipe” and to put in a good word on its behalf – as it turned out, to no avail – prior to the presentation.

In other words, although we tend to think of networking in Japanese business in terms of individuals lubricating the wheels of social interaction at an interpersonal level, we must also realise that such networking is carried on at an institutional level. Networking thus creates and sustains an ongoing dialectical relation between individual employees and organisational units in Japanese society. This, I suspect, is what Nakane meant when she argued that individuals always interact as members of a “group.”

### ***Market: The Account System***

Let us turn now to the third sociological co-ordinate adopted in this essay: the market. The driving market force in both formal and informal relations in the Japanese advertising industry is the system of accounts. As I have mentioned before, advertisers in Japan do not allocate the whole of their account to a single agency, as they have hitherto done for the most part in Europe and the United States of America. Instead they split their accounts – by medium, by product line, even on occasion by agency (with one doing marketing; another creative; another media buying, and so on) – and thus provide two or more agencies (depending on the size of the client company) with smaller sums of money.

Accounts provide the sums of money that enable advertising and media organisations to function at all. Because they involve not just advertising itself, but sales strategies, corporate imaging, media and other forms of promotion, accounts determine the functional units – sales, marketing, promotions, media buying – into which the Agency is structured. At the same time, the broad nature of an account makes cross-divisional co-operation essential within any agency. Moreover, precisely because Japanese corporate advertisers prefer to split their accounts and to distribute them as comparatively small sums of money among a number of different agencies, agencies need to operate numerous small organisational units (of groups and teams) to handle them. Finally, by their successes and failures, accounts contribute in large part to employees' ability to rise up through the ranks to senior management and thus affect an agency's promotional system and formal organisational structure.

There are some further points to be made here. Firstly, the system of split accounts favours advertisers in that they have a competitive lever with which to control those working in the agencies contracted. In other words, the split-account system creates and sustains a system of hierarchical power relations between advertisers and agencies. But it also favours agencies to the extent that, if they lose an account, the financial implications are not such that – as with an American agency that loses a large account – their overall stability is threatened. In other words, lay-

offs do not usually occur as a result of an account being lost, so that the split account system also indirectly supports what is referred to as the system of “permanent” employment in Japan and practised by the Agency.

Secondly, precisely because accounts are split, agencies’ account executives are always tempted to get a larger slice of the advertising cake that they have already been given. There are two aspects to this. On the one hand, an advertising agency is prepared to carry out low-level, less obviously visible, aspects of advertising and promotion on behalf of a large, well-known client, in the hope and expectation that it will eventually gain access to more lucrative, above-the-line contracts (for television advertising, for example). The split-account system thereby encourages an advertising agency to expand its activities into all aspects of Japan’s consumer and other markets. On the other hand, this market mechanism of financing the work of advertising agencies encourages informal contacts between account executives and their counterparts in client companies. This is because it is the personal relationship, rather than a more professional approach to executing an account, which ultimately determines whether an account stays with a particular agency, is increased, decreased, multiplied, or withdrawn.<sup>57</sup> In other words, the very number of accounts – and the competition that they generate among agencies, media, production companies and other organisations in the advertising industry – makes interpersonal relations an even more important factor in Japanese business relations than they already are in other advertising industries where accounts are not split.

Thirdly, advertising agencies deal with clients from all kinds of different businesses, each of which has its own organisational peculiarities (based in part on *their* business dealings in the particular industry of which they are a part). The Agency thus needs to have an organisational structure that displays maximum flexibility since it must be able to adapt to the structure of each of its client companies. At the same time, this structure must be able to cope with the sheer number of accounts it handles on behalf of different client companies.

This is one reason for its adoption of the kind of organisational structure outlined in this essay. Another, fourthly, is that the Agency’s use of small “groups” and “rooms,” as well as account “teams,” simultaneously obviates the problem of client conflict which can come about as a result of the split account system since some advertisers – especially those foreign corporations that are not accustomed to an agency’s handling the accounts of its rivals – will insist on their accounts being handled by a separate section. The acquisition of some accounts, therefore, leads to the Agency establishing a new section, group or room whose members dedicate themselves entirely to the account of their new client.

At the same time, this minute division of the Agency’s organisational structure is maintained *spatially* by keeping different offices on different floors of its different buildings and, in the case of Account Services, by not consolidating different departments within different divisions of the office as a whole. In this way, in 1990, one car manufacturer’s account was on the eighth floor of one building, a second car account on the fourth floor of the next door building and a third on the seventh floor of a building across the road. Such organisation has advantages in terms of both confidentiality and an avoidance of embarrassing situations. On the one hand, the establishment of numerous small groups, combined with an ethic that confidential information should be kept confidential, helps prevent the leaking of such information since salesmen from each account do not come face to face with one another very



often. On the other hand, an advertising or product manager may well accept that the Agency (which is, after all, one of several that it uses) will also be handling the accounts of its rivals, but the last thing he wants is to bump into someone from a rival company on one of his occasional visits to the Agency's offices.

There are other concerns here that are internal to the effective functioning of the Agency itself as an organisation. For example, the creation of smaller, rather than overly large, offices and divisions facilitates the management of accounts and personnel, since no senior office or divisional chief can keep his eye on everything that is going on if he has too much on his managerial plate. To ensure that he is able to carry out his managerial functions properly and effectively, the Agency's Board of Directors will reshuffle accounts among the various divisions and departments, if it feels that one has over-expanded as a result of the successful acquisition and/or increase of new/existing accounts. Of course, those concerned will do their utmost in such reshuffling to protect their really important accounts and those that they think have potential for growth since it is these that will affect their colleagues' salaries and promotions.

Further, like their acquisition, the reshuffling of accounts often leads to the creation of new groups, departments, even divisions. This in turn means that new managerial positions are created for able employees who have proved themselves in the field. In other words, the continual readjustment of the Agency's organisation encourages competition – among offices, among divisions within each office, among departments within a division, among groups within a section, and ultimately among individual employees. This ensures that competitiveness seeps down to the very lowest level as account executives do their utmost to win more and larger accounts than those secured by their colleagues and that, as a result, the Agency as a whole continues to prosper.<sup>58</sup>

### ***Frames***

In light of this discussion of the formal and informal organisation of a Japanese advertising agency, let us now return to my consideration of the functioning of Japanese society: in particular, to the matter of frames. Although Nakane envisaged her concept of frame (*ba*)<sup>59</sup> in primarily spatial terms – she is concerned with such forms of organisation as companies, schools, ministries, and so on – we should recognise that the boundaries of frames are spatial and/or temporal, and need to be analysed as such.

The clearest examples of spatial frames are to be found in, for example, styles of residence,<sup>60</sup> Shinto shrine architecture (from *torii* to inner sanctum), office layout and the arrangements of department stores (*shōgingai* shopping streets, railway stations, and so on). Each of these relates to and determines certain activities that may or may not be pursued therein by particular participants. Thus, guests are entertained in one area of the house, while family members inhabit another; similarly with the distribution of space (rooms) among men, women and children. The boundary-marking *torii* may encourage some visitors to test their luck by trying to lob stones onto its broad, sweeping beams. The presence of a water fountain tells them where to purify themselves and so mark off their separation from the outside world before moving forward to the shrine which is itself laid down according to strict spatial categories and rules. Similarly, and this was true of the Agency, offices tend to position senior staff nearby windows and junior staff (very often, but not exclusively female) near doors, thereby defining “high” and “low”

areas of workspace.<sup>61</sup> Department stores appeal to their primarily women customers by placing perfumes and cosmetics at street level and try to lure them through the store by placing their cultural and art exhibitions on the uppermost floor. Foods are carefully assigned to the basement which usually acts as an exit point to the subway or train that takes customers home to cook an evening meal.

Temporal frames are most commonly found in language use (and accompanying non-verbal gestures), but they also exist in film, radio, television broadcasts, music compositions, and so on. For example, greetings go through a series of such frames as the speaker defines the frame in which those gathered for this particular “action set” are gathered (a competitive presentation, community sports day, 41<sup>st</sup> birthday party, and so on).<sup>62</sup> Music – from classical to folk (*minyō*) – is constructed according to frames which (like this essay) have beginnings, middles and ends, with certain stylistic repetitions. Similarly with news broadcasts, television dramas, and quiz shows.

Most frames, however, combine temporal with spatial elements, and usually consist of frames within frames.<sup>63</sup> Rituals – from roof-ridge raising ceremony to the annual NHK *Kōhaku Uta Gassen* or high school baseball competition – are a prime example of this combination of elements. But we also come across them in less rarefied contexts such as *sake* drinking parties, where overt shifts in linguistic and other behaviour accompany boundary-crossing activities that, as the evening wears on, upset formal hierarchical organisation based on seniority and gender.<sup>64</sup> We also see them in the transformation of locations and related behaviour when a family has guests.<sup>65</sup>

Activity framed in a particular way (a meal in a restaurant, a *sumō* bout, a business meeting in the office) is usually marked off from the ongoing flow of surrounding events by special boundary events or “brackets”.<sup>66</sup> When visitors arrive at the Agency, for example, those due to meet them quickly shift from shirt-sleeves to jackets, move out of their open-plan working space to a compartmentalised meeting room, and enter it with an apologetic bow and phrase. Their entry automatically brings their guests to their feet, and leads to an initial exchange of greetings, followed by that of name cards (which themselves are closely defined by rules on how they should be presented and received). The hosts then prepare to sit down (with appropriate gestures for the visitors to do the same), place the name cards carefully on the low table in front of them (to correspond with the faces opposite), and attempt to find some social link with their visitors (of common business associate or association, university, or regional background).<sup>67</sup> At around this time, tea is brought in and served by a female receptionist.

This description will be familiar to anyone who has attended such a meeting in a Japanese business context and is used here to exemplify the way in which those strips of activity making up the lives of Japanese people are “laminated.” Its familiarity merely emphasises that pre- and post-performance activity is standardised (in the Agency, there are always internal meetings following important meetings with visitors to find out how the various participants have “read” the situation at various stages of the meeting, with a view to further planning and strategy). In many ways, although frames are both exclusive (by including some messages, they exclude others) and inclusive (by excluding some messages, they include others),<sup>68</sup> these bracketing devices are neither inside nor outside the contents of the activity proper or of the world outside the activity. They are also both formal and informal – formal to the flow outside, informal to the activity itself.<sup>69</sup>

Every individual participating in such a framed episode brings to the activity his or her own participation as a player and the role or function that s/he adopts in that

activity.<sup>70</sup> Each constrains the other to create a person-role formula. The fact that the two are distinct allows out-of-frame behaviour (as when, in a business meeting, an account executive may suddenly start talking about his wife's shopping habits) and some frames are more conducive to such out-of-frame behaviour than are others (as we saw earlier in my comment on the various different forms of networking that took place during filming of a television commercial organised by the Agency).

At the same time, each frame sets a limit on *who* can participate, so that in addition to the role-persona there is a role-character formula. Thus, a performance of Aida arranged by the Agency on behalf of its client will be attended by the CEO, the chief account executive handling the client's account, and relevant members of the Agency's top management (usually from Account Services and promotions, but possibly including Marketing and/or Creative Offices), but not by junior account executives or media buyers involved in the campaign. Similarly, individuals – like celebrities – who operate within one particular construction (say, the cinema) are able to participate in related frames (drama, radio talk show, magazine feature, television commercial) provided that they maintain their “character.”<sup>71</sup> If such character-appropriate behaviour is broken, framed relations are immediately broken (as when Kirin Beer dropped Katsu ShintarÇas its celebrity endorser after it was disclosed early in 1990 that he used – or at least carried – drugs).<sup>72</sup> Thus, in spite of all efforts to maintain mutual understanding and clarity with regard to the activity being pursued, all frames are subject to ambiguities, misframing and disputes.

Although the example of framing that I have chosen above has focused on individuals participating in a particular activity, we should realise that a similar process takes place at an organisational level between Agency and client, each of which brings to the account its participation as a player and an organisation-role formula. Both people and organisations can be said to develop a “style” as players (so that agencies come to be known for their “intelligent”, “human” or other qualities), enabling them to systematically modify any strip of activity by virtue of their participation as performers.<sup>73</sup>

The account system itself may also be analysed in terms of frames. Accounts are placed on offer by advertisers. They are competed for by invited agencies, in a presentation which itself is subject to all kinds of bracketing devices,<sup>74</sup> before being formally awarded to one agency which then has to revise its proposals in the light of the formalised relationship between itself and its client. Accounts lead to campaigns, each of which involves certain formulaic activities (orientation, market analysis, creative ideas) and leads either to further contracting or, in the event of discontent on the client's part, to a new round of competitive presentations. Loss of an account by one agency tends to lead to an overall shift in competing accounts among other agencies and to result in the former gaining a new, similar account to “replace” the one it has lost.<sup>75</sup>

## ***Conclusions***

Let me sum up the main points of this essay, and thereby supplement its introductory frame.

I have focused on four co-ordinates that I see as affecting the formal and informal organisation of a Japanese advertising agency. In the first place, I outlined the formal structure of the Agency, and showed how hierarchical relations exist both *internally* between divisions, departments, sections and groups, on the one hand, and, on

the other, *externally* between the Agency and clients, as well as media organisations, production companies and so on. It is clear that there is a close relationship between the account system, the Agency's economic activity and its organisational form. Those who control an account at any one point (a client *vis-à-vis* an agency, an account executive within an agency, or an agency *vis-à-vis* those it sub-contracts during the course of a campaign) establish themselves in a superior position. What needs to be noted, however, is that such hierarchical relations are also affected by the different kinds of knowledge or expertise that each of the participants brings to bear on an advertising campaign.

Secondly, I pointed to the importance of personal networks in Japanese business relations and argued that they are *complementary* to action sets, or quasi-groups, in the everyday functioning of Japanese society.<sup>76</sup> I have also hinted that they should be compared to the organisation of networks in China and other (south-)east Asian societies. After all, like *guanxi*, they combine the three elements of ethics, tactics and etiquette that characterise Chinese interpersonal relations.<sup>77</sup> The ways in which these elements complement or contend with one another can also produce in Japanese interpersonal business relations the four inflections identified by Mayfair Yang – emotional affect; diffuse obligation and indebtedness;<sup>78</sup> etiquette and propriety of conduct; and gain-and-loss calculation – in all social relations. As with *guanxi*, Japanese networks involve individuals in “a constant, reflexive manipulation of social options.”<sup>79</sup>

Thirdly, I pointed out how the account system can be said to drive the formation and dissolution of relations in the world of a Japanese advertising agency. It explains the formal structure of the Agency in terms of divisions, departments, sections and groups, together with their size, on the one hand, and informal cross-divisional account teams, on the other. In short, the account system summarises the relationship between social organisation and a *market* process. This is seen in the ways in which the competitiveness and entrepreneurship of the market process<sup>80</sup> are carried across into the formal hierarchical structuring of the Agency as a whole; into its, primarily hierarchical, relations with other organisations in the advertising industry; and into the construction and maintenance of networks, one of whose primary aims is the acquisition of market information. It is the market processes of advertising which define and sustain the advertising “field.”

Fourthly, I argued for the use of the concept “frame” in analysing Japanese social and business relations. However, I warned against Nakane Chie's concern with constant, stable and institutional frames, as well as against what I regard as her over-emphasis on hierarchy. Rather, I pointed to ways in which individuals are brought together for particular purposes at the end of which they move on to work together in other situational frames that are always shifting, rarely long-term and not necessarily institutional. In other words, frames involve different types of social organisation (institutions, networks, action sets, quasi-groups and so on), define the forms of interaction they will take and organise participants' behaviour therein (in/formal, hierarchical, egalitarian, in/outside, front/back stage, and so forth).

In this bringing together of the four co-ordinates, I have tried to refocus our thoughts about the organisation of Japanese society and to provide an intermediate theoretical framework by which to analyse social, political and economic life in Japan. Some readers will be aware that I have made extensive use of the three “models of co-ordination” outlined by Grahame Thompson and his co-editors in their *Markets, Hierarchies & Networks*. I have, however, added a fourth co-ordinate, because, in my opinion, the concept of “frame” helps our understanding of how different hierarchies,

networks and markets function and interact. After all, they take on different forms in different contexts.<sup>81</sup> Different markets, for example, produce different kinds of corporate structure, each of which may have a slightly different effect on the way in which that corporation's advertising account is handled by an agency. Similarly, hierarchies exist or do not exist because of certain social contexts and are subject to and dependent on those contexts (so that an agency may be both superior and inferior at the same time in the handling of an account). The same may be said of networks which, as we have seen, function very differently in different situations (they can be inter-personal, inter-group, non/instrumental, hierarchical, egalitarian, and so on). It is the concept of frame that can help us analyse the varieties of social behaviour found in the other three social coordinates.

In short, hierarchies, networks, markets and frames are processes and practices that enable social relations to be continually produced and reproduced in Japanese and other societies. They thus enable us to go beyond cultural limitations and hopefully make Japanese society comprehensible and of comparative consequence.

## Notes

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<sup>1</sup> Bourdieu has discussed and developed the concept of field in a number of different works. A succinct summary may be found in “Some Properties of Fields,” in Pierre Bourdieu, *Sociology in Question* (London: Sage, 1993), pp. 72-77.

<sup>2</sup> It is instructive, I think, to find that structuralism and semiotics have made their entry into the field of Japanese anthropology primarily through the work of “generalists.” See Claude Lévi-Strauss, “Cross Readings,” in his *The View From Afar* (Oxford: Basil Blackwell, 1985), pp. 73-87; and Roland Barthes, *The Empire of Signs* (translated by Richard Howard, London: Jonathan Cape, 1982).

<sup>3</sup> Emile Durkheim, *The Division of Labour in Society* (New York: Macmillan, 1933).

<sup>4</sup> For example, Chie Nakane, *Japanese Society* (Berkeley and Los Angeles: University of California Press, 1970); Emile Durkheim, *Sociology and Philosophy* (New York: Free Press, 1974).

<sup>5</sup> For example, Harumi Befu, “The Group Model of Japanese Society and an Alternative,” *Rice University Studies*, Vol. 66, No. 1, pp. 169-187, 1980; George Homans, “Social Behavior as Exchange,” *American Journal of Sociology* Vol. 62, 1958, pp. 597-606.

<sup>6</sup> For example, Ellis Krauss, Thomas Rohlen and Patricia Steinhoff, eds., *Conflict in Japan* (Honolulu: University of Hawai’i Press, 1984); Georg Simmel, *Conflict and the Web of Group-Affiliations* (New York: Free Press, 1955).

<sup>7</sup> Nakane Chie, *Tate shakai no ningen kankei* (Tokyo: Kodansha Gendai Shinsho, 1967); Nakane Chie, *Tate shakai no rikigaku* (Tokyo: Kodansha Gendai Shinsho, 1978); Chie Nakane, *Japanese Society* (Berkeley and Los Angeles: University of California Press, 1970). I will devote much of this discussion to the English translation of *Tate shakai no ningen kankei*, *Japanese Society*, since it is this book which has had the greatest influence in the field of Japanese studies among scholars with little or no knowledge of the Japanese language, in areas such as organisation and management where Japan has featured prominently in disciplinary discussions.

<sup>8</sup> See Nancy Rosenberger, ed., *Japanese Sense of Self* (Cambridge: Cambridge university Press, 1992).

<sup>9</sup> I do not wish to imply that all my colleagues in the field of the anthropology of Japan are ignoring Japanese social organisation; nor that, in trying to rethink aspects thereof in more general theoretical terms, they do not take issue with the work of Nakane. Jane Bachnik, for example, argues for the need to place “situationalism” within a Peircian framework of deixis. She differs, though, in her interpretation of what Nakane meant by frame since she assimilates it to *uchi* (and *soto*) and thence to other, what she sees as secondary, paired terms like *omote/ura*, *giri/ninj*Çand *tatema/honne*. (See Jane Bachnik, “Introduction: *Uchi/Soto*: Challenging our Conceptualizations of Self, Social Order, and Language”, in Jane Bachnik and Charles Quinn, Jr., eds., *Situated Meaning: Inside and Outside in Japanese Self, Society, and Language* (Princeton, NJ: Princeton University Press, 1994, pp. 3-37.)

<sup>10</sup> Anthony Giddens, *Central Problems in Social Theory* (Berkeley and Los Angeles: University of California Press, 1979).

<sup>11</sup> See Grahame Thompson, Jennifer Frances, Rosalind Leva. if, and Jeremy Mitchell, eds., *Markets, Hierarchies & Networks: The Coordination of Social Life* (London: Sage, 1991), p. 8.

<sup>12</sup> On alliances among Japanese firms as coherent networks of rule-ordered exchange, see Michael Gerlach, *Alliance Capitalism: The Social Organization of Japanese Business* (Berkeley and Los Angeles: University of California Press, 1992).

<sup>13</sup> Ronald Dore, “Goodwill and the Spirit of Market Capitalism,” *British Journal of Sociology*, Vol. 34, 19, 1983, pp. 459-82.

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<sup>14</sup> Mary Jo Hatch, *Organization Theory: Modern, Symbolic and Postmodern Perspectives* (Oxford: Oxford University Press, 1997), p. 192.

<sup>15</sup> Erving Goffman, *Frame Analysis: An Essay on the Organization of Experience* (New York: Harper & Row, 1974), p.10-11.

<sup>16</sup> For further details of this research, see Brian Moeran, *A Japanese Advertising Agency: An Anthropology of Media and Markets* (London: Curzon, 1996); also Brian Moeran, "Promoting culture: The Work of a Japanese Advertising Agency," in his edited *Asian Media Productions* (London: Curzon, 2000).

<sup>17</sup> Herbert Blumer, *Symbolic Interactionism: Perspective and Method* ((Berkeley and Los Angeles: University of California Press, 1986), p. 85.

<sup>18</sup> John Barnes, "Networks and Political Processes," in J. Clyde Mitchell, ed., *Social Networks in Urban Situations* (Manchester: Manchester University Press, 1969), pp. 51-76.

<sup>19</sup> David Knoke and James Kuklinski, "Network analysis: Basic Concepts", in Thompson et al., eds., *Markets, Hierarchies & Networks*, p. 174.

<sup>20</sup> Nakane, *Japanese Society*, p. 3.

<sup>21</sup> The concept of frame goes back to Gregory Bateson, "A Theory of Play and Phantasy," *Psychiatric Research Reports* Vol. 2, American Psychiatric Association, December 1955, pp. 39-51 (reprinted in his *Steps to an Ecology of the Mind* [New York: Ballantine Books, 1972], pp.177-193). It was then taken up in *Frame Analysis* by Erving Goffman who, *contra* Nakane, argued (p. 17) that the organisation of experience through frame analysis is of *secondary* importance to sociology, whose primary focus is on social organisation and social structure.

<sup>22</sup> Goffman, *Frame Analysis*, pp. 561, 564-6.

<sup>23</sup> cf. Joy Hendry, *Wrapping Culture: Politeness, Presentation and Power in Japan and Other Societies* (Oxford: Oxford University Press, 1993), pp. 123-32.

<sup>24</sup> Nakane, *Japanese Society*, p. 1. This section is *not* supposed to constitute a full critique of Nakane's work. However, I would like to point out here that, in my opinion, Nakane espouses neither "homogeneity" nor the so-called "group model" of Japanese society. It is clear that her interest is in "small groups" (*shōshūdan*, a term that she prefers to "primary group" [Nakane, *Tate shakai no rikigaku*, p. 22]), which are defined quite simply as "co-operation in work and sharing of space" (*shigoto no kyōryoku to ba no kyōjū*). She recognises, moreover, the variable nature of such small groups resulting from the different purposes for which they are formed and the different people who make up their membership (ideally between five and seven persons to maximise a full expression and free exchange of individual opinions and emotions) (Nakane, *Japanese Society*, p. 12, and Nakane, *Tate shakai no rikigaku*, pp. 22-4). She also points out that the concept of "group" is never properly analysed by Japanese intellectuals who use it as an abstract concept vaguely opposed to western individualism and modernity (Nakane, *Tate shakai no rikigaku*, pp. 12-13). She argues further (pp. 38-39) that, *structurally*, the "small group" in Japanese society has the same functional characteristic as the "individual" in European and American societies.

<sup>25</sup> See Adrian Mayer, "The Significance of Quasi-Groups in the Study of Complex Societies," in M. Banton, ed., *The Social Organisation of Complex Societies* (ASA Monographs 4, London: Tavistock, 1966), pp. 97-122. Nakane's confusion becomes clear when she writes: "*groups* in Japan are formed usually by the multiplication of a vertical relation between two individuals. Thus the individual locus is determined informally within the *network* of such relations" (Nakane, *Japanese Society*, p. 44, my italics added).

<sup>26</sup> See Nakane, *Japanese Society*, page 21, x.

<sup>27</sup> J. Clyde Mitchell, "The Concept and Use of Social Networks," in his edited *Social Networks in Urban Situations* (Manchester: Manchester University Press, 1969), p. 16. The irony here becomes the greater when we learn that Nakane is apparently responsible for creating a "group" model of Japanese society (cf., among others, Harumi Befu, "The Group Model of Japanese Society and an Alternative").

<sup>28</sup> Mitchell, "The Concept and Use of Social Networks," p. 22.

<sup>29</sup> Nakane, *Tate shakai no rikigaku*, pp. 52-3.

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- <sup>30</sup> Nakane, *Tate shakai no rikigaku*, pp. 67-8.
- <sup>31</sup> Nakane, *Tate shakai no rikigaku*, p. 72.
- <sup>32</sup> Nakane, *Tate shakai no rikigaku*, p. 62.
- <sup>33</sup> Nakane, *Tate shakai no rikigaku*, pp. 67-8.
- <sup>34</sup> Nakane, *Tate shakai no rikigaku*, pp. 63-6. There are certain points in Nakane's discussion of south-east Asian networks where I feel as if I am looking into a Japanese mirror: specifically, when she points to the variety of the forms and functions of networks; their structure based on one-to-one horizontal, as opposed to hierarchical, personal ties; their being subject to "individual play" and the manipulation of particular individuals; and so on. I am not persuaded, therefore, by her – to my mind, weak – rebuttal of those who would argue that Japanese *do* operate in individual-focused networks outside the small groups to which they belong (cf. Nakane, *Tate shakai no rikigaku*, pp. 71-72).
- <sup>35</sup> Mayfair Mei-hui Yang, *Gifts, Favors and Banquets: The Art of Social Relationships in China* (Ithaca: Cornell University Press, 1994); Andrew Kipnis, *Producing Guanxi: Sentiment, Self, and Subculture in a North China Village* (Durham and London: Duke University Press, 1997).
- <sup>36</sup> See Barnes, "Networks and Political Processes," pp. 64-6.
- <sup>37</sup> Knoke and Kurlinski, "Network Analysis: Basic Concepts," p. 178.
- <sup>38</sup> Mitchell, "The Concept and Use of Social Networks." Mitchell's argument is indirectly supported by Nakane who comments on how, in comparison with Chinese networks, Japanese networks are inhibited from developing freely because of the *amae*-based security of the small group (Nakane, *Tate shakai no rikigaku*, pp. 55-56).
- <sup>39</sup> They are also concerned to ensure that their social networks potentially match the infinite chain of signification ideally created by copywriters and art directors for their clients' products in advertising campaigns. In this respect, those employed in the advertising industry are involved *socially* in the same strategies that editors practise *textually* when constructing magazines for their readers (see Moeran, *A Japanese Advertising Agency*, pp. 227-229).
- <sup>40</sup> cf. Yang, *Gifts, Favors and Banquets*, p. 123.
- <sup>41</sup> Mitchell, "The Concept and Use of Social Networks," p. 47.
- <sup>42</sup> Knoke and Kurlinski, "Network Analysis: Basic Concepts," p. 175-6.
- <sup>43</sup> Mayer, "The Significance of Quasi-Groups in the Study of Complex Societies".
- <sup>44</sup> Nakane, *Tate shakai no rikigaku*, p. 23.
- <sup>45</sup> Knoke and Kurlinski, "Network Analysis: Basic Concepts," p. 179.
- <sup>46</sup> Karel van Wolferen, *The Enigma of Japanese Power: People and Politics in a Stateless Nation* (London: Macmillan, 1989), pp. 177-8.
- <sup>47</sup> For the organisational structure of the Agency, see Moeran, *A Japanese Advertising Agency*, pp. 48-54.
- <sup>48</sup> In the Media Buying Office, employees are generally assigned to particular publications, in the case of print media, or stations, in the case of broadcast media. This makes their job somewhat more concerted in its aims, although each media buyer, of course, has to liaise with numerous different personnel within the Agency itself.
- <sup>49</sup> This point bears further thought, given western agencies' propensity to emphasise "creativity" in their work and to appoint creatives to chief executive positions.
- <sup>50</sup> Moeran, *A Japanese Advertising Agency*, p. 33.
- <sup>51</sup> The importance of the kinds of resources, assistance, and support that businessmen can mobilise in their networks is also noted by Reiko Atsumi, "Tsukiai – Obligatory Personal Relationships of Japanese White-Collar company Employees," *Human Organization* Vol. 38, no. 1, 1979, p. 69.
- <sup>52</sup> At another extreme, one young woman employee once complained about she had been obliged to stand in line outside the toilet in a bar where an account executive was entertaining an important client, so that the latter could go directly to relieve himself and not have to stand in line at a critical moment.



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As she put it sardonically: “There is the four class system of warrior, farmer, artisan and merchant, and then at the bottom there is the advertising agency.”

<sup>53</sup> Atsumi, “Tsukiai”, p. 64-5, argues for a clear-cut distinction between *tsukiai* and friendship.

<sup>54</sup> This idea of “partnership” extends from the account executive to the organisation as a whole. Ultimately, the Agency – like most Japanese corporations – is concerned to create what in another context has been called a “value-adding partnership” with each of its clients and with those companies and personnel that it subcontracts, so that together they can manage a flow of goods and services along an entire chain stretching from production to consumption. Ideally, in such value-added partnerships, each organisation realises that it has a stake in the success of the others (Russell Johnston and Paul Lawrence, “Beyond Vertical Integration – The Rise of the Value-Added Partnership,” in Thompson et al., eds., *Markets, Hierarchies and Networks*, pp. 193-202). The Agency manages relationships among clients, media and production houses, solves problems, carries information, negotiates the supply of materials, and generally gets involved in all aspects of sales, advertising and promotional activities.

<sup>55</sup> An extension of this close relation can be seen in the fact that account executives from time to time move from an agency to client company as product managers.

<sup>56</sup> See Moeran, *A Japanese Advertising Agency*, pp. 71-98; also Brian Moeran, “A Tournament of Value: Strategies of Presentation in Japanese Advertising,” *Ethnos*, Vol. 58, Nos. 1-2, 1993, pp. 73-94.

<sup>57</sup> Such personal relations are often carried over into the contents of the advertisements themselves, where certain images may be suggested by an agency precisely because they are known to appeal to the private taste of the client’s product manager. See Michael Schudson, *Advertising: The Uneasy Persuasion* (New York: Basic Books, 1984), p. 44; Moeran, *A Japanese Advertising Agency*, p. 89.

<sup>58</sup> See Moeran, *A Japanese Advertising Agency*, pp. 49-51.

<sup>59</sup> She also uses the term, *waku*, which in English seems to get glossed as “institutional unit.” See Nakane, *Tate shakai no ningen kankei*, p. 30 and *Japanese Society*, p. 3.

<sup>60</sup> See, for example, Takie Sugiyama Lebra, “The Spatial Layout of Hierarchy: Residential Style of the Modern Japanese Nobility,” in her edited *Japanese Social Organization* (Honolulu: University of Hawai’i Press, 1992), pp. 49-78.

<sup>61</sup> Similarly, taxis are spatially constructed to accommodate various hierarchical distinctions (the most junior present sits in the front seat), while seating in meeting rooms helps distinguish the opposition between Agency employees and outside visitors (both groups of whom will be seated hierarchically). The entry point into the frame (in both cases, a door) once again provides the defining point of who is “higher” than whom.

<sup>62</sup> Numerous examples of such behaviour can be found in Brian Moeran, *A Far Valley: Four Years in a Japanese Village* (Tokyo: Kodansha International, 1998). See, for instance, pp. 89-90, 138-39, 142-44, 155.

<sup>63</sup> Consider, for example, the way in which formal letters are written – bracketed by the standard greetings, *haikei* and *keigu*, and further bracketed by opening and closing paragraphs that include seasonal reference, an inquiry after the other’s health, and closing statement about future contact (in person or in writing). The main content of the letter, and implied purpose of writing, is signalled by the opening words of the second paragraph, *sate* or *tokoro de*.

<sup>64</sup> See, for example, Brian Moeran, “One Over the Seven: Sake Drinking in a Japanese Pottery Community,” in Joy Hendry, ed., *Interpreting Japanese Society: Anthropological Approaches*, 2<sup>nd</sup> edition (London and New York: Routledge, 1998), pp. 243-58.

<sup>65</sup> See Jane Bachnik, “*Kejime*: Defining a Shifting Self in Multiple Organizational Modes,” in Rosenberger, *Japanese Sense of Self*, pp. 152-72.

<sup>66</sup> Goffman, *Frame Analysis*, p. 251.

<sup>67</sup> Failure to find any of these often leads Japanese to remark at some later stage that their meeting has somehow been decreed by “destiny” (*go-en*). *Go-en* itself thus acts as a bracketing device to enable a relationship to continue unimpeded.

<sup>68</sup> See Bateson, “A Theory of Play and Phantasy”, pp. 187-9.

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<sup>69</sup> Goffman, *Frame Analysis*, p. 264. Although it is not my intention (and space does not allow me) to pursue native oppositions such as *uchi/soto*, *omote/ura*, *tatemae/honne*, and so on, I believe that they can be reframed analytically in light of the general theory of frames propounded here. (See, for example, Bachnik and Quinn, eds., *Situated Meaning*.)

<sup>70</sup> Goffman, *Frame Analysis*, p. 269.

<sup>71</sup> Goffman, *Frame Analysis*, p. 285.

<sup>72</sup> A similar case occurred when Pepsi Cola rapidly dissociated itself from Michael Jackson following accusations against the singer of child molestation.

<sup>73</sup> Goffman, *Frame Analysis*, p. 288.

<sup>74</sup> See Moeran, "A Tournament of Value", especially pp. 87-9.

<sup>75</sup> Moeran, *A Japanese Advertising Agency*, p. 91.

<sup>76</sup> Unlike Nakane who appears to treat "small group" and "network" as *opposed* categories (*Tate shakai no rikigaku*, p. 72).

<sup>77</sup> Yang, *Gifts, Favors and Banquets*, p. 109.

<sup>78</sup> Yang, *Gifts, Favors and Banquets*, p. 123.

<sup>79</sup> Kipnis, *Producing Guanxi*, p. 8.

<sup>80</sup> Israel Krizner, "Market Process Versus Market Equilibrium", in Thompson et al., eds., *Markets, Hierarchies & Networks*, pp. 53-65.

<sup>81</sup> Thompson et al., eds., *Markets, Hierarchies & Networks*, p. 5.