

Chapter 5

Establishing the Kobe-Style of Management Studies: Three Big Captains



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5.1 Japan's First Faculty of Business Administration

With the postwar reform of the school system, Kobe University was newly established in 1949 by merging Kobe University of Economics, Himeji High School, Kobe College of Technology, Hyogo Normal School, and other schools.

At the time of its establishment, six faculties were authorized by the Ministry of Education to be established: the Faculty of Humanities and Science, the Faculty of Education, the Faculty of Law, the Faculty of Economics, the Faculty of Business Administration, and the Faculty of Engineering. Central among these faculties were the three faculties of Law, Economics and Business Administration, which had a long tradition since Kobe Higher Commercial School. The Faculty of Business Administration was recognized as the most legitimate and core faculty at Kobe University.

The Faculty of Business Administration (hereafter shown KUBS), the first of its kind in Japan, was born at Kobe University. It consists of two departments, the Department of Business Administration and the Department of Commerce. As described in this chapter, there was a proposal to place the Department of Business Administration within the Faculty of Economics (the “Large Faculty of Economics” conception), but after some twists and turns, KUBS was finally established as an independent faculty (Photo 5.1).

Some humanities professors strongly criticized the new university, saying that practical studies such as business administration were not suited to a university pursuing academism and should be wiped out with the start of the new university

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Photo 5.1 Susumu Kaido speaking at the inaugural lecture of Kobe University, 1956. Provided by Nobuchika Kaido



system. However, the proponents' opinion prevailed, and KUBS was able to start for the time being through an internal resolution.

Despite the criticisms, the establishment of the nation's first business administration faculty was due in large part to Yasutaro Hirai's efforts and his credibility. The predecessor, Kobe University of Economics, had already founded the nation's first Department of Business Administration in 1944 thanks to the efforts of Hirai and his colleagues. Later, in addition to the department, the affiliated Business Accounting Institute was established in 1944. The institute was reorganized to the affiliated Professional Training School of Business Administration in 1947. The Kobe University of Economics was widely recognized as a major research center in Japan in the field of business administration, which was emerging in Germany and the U.S. at the time.

In addition, Hirai argued that it was odd to call all the various fields including management, accounting, finance, transportation, and insurance "commerce," as Hitotsubashi University did, and that they should rather be grouped under the common denominator of "business administration (or management); *Kei-ei* in Japanese" and viewed in a unified manner (Hirai, 1954, p. 108; Yamamoto, 1977, p. 98). In fact, it is noteworthy that in the course organizing plan just prior to the establishment of KUBS, courses in the field of commerce, renamed to those added the word "management" such as commercial management, bank management, trade management, transportation management, and insurance management (Kobe University Centennial History Editorial Committee, 2005, p. 339). In light of these points, it is appropriate to say that Japan's first Faculty of Business Administration was born under Hirai's leadership (Photo 5.2).



Photo 5.2 Group photograph of the Business Administration Laboratory in front of the entrance to the Rokkodai Main Building. Front row center: Hirai (1954). *Source* Keiei Gruppe (1958)

5.2 Early Formation of the KUBS

5.2.1 Course Structure and Education in KUBS

The basic unit of research and education in KUBS was an organization called a *Kouza*, that is, a chair. The Chair was composed of a professor, an associate professor, a lecturer, and an assistant professor, organized as a hierarchy. At that time, the operating budget of faculties of national universities was allocated based on the number of chairs. Therefore, the faculty with many chairs were rich as a result.

Table 5.1 shows the lineup of courses in KUBS in 1953, four years after the establishment and the year of its completion in its early stage.

According to Table 5.1, KUBS at that time consisted of six courses related to business administration, four courses related to accounting, and six courses related to commerce, for a total of 16 courses. The real number of faculty members then was 28 (13 professors, 6 associate professors, 3 lecturers, and 6 assistant professors). Considering that KUBS today (in 2020) has approximately 60 faculty members, it is fair to say that the size of the faculty was approximately half of today's size in terms of numbers.

As indicated in the note to Table 5.1, during the four years from 1949, immediately after the opening of the university, various chairs related to business administration were newly established, such as corporate forms, management finance, and business statistics, indicating that the university intended to enhance its courses in the field of business administration. In addition, although not shown in the table, research departments such as business mechanization and business accounting were

Table 5.1 Chairs in KUBS (April 1953) (Unit: persons)

Chair title	Professor		Associate professor		Lecturer		Assistant professor		Total	
	Quota	Name	Quota	Name	Quota	Name	Quota	Name	Number of chair capacity	Actual number of staff
Management I	1	Yasutaro Hirai	1	Kiichi Ichihara	1	-	1	Akio Mori	4	3
Management II	1	Yoshimoto Koboyashi	1	-	-	Susumu Kaido	-	-	2	2
Corporate Forms*	1	Tatsuo Takenaka	1	Kuniyoshi Urabe	-	-	-	-	2	2
Management Finance*	1	Yasutaro Tamba	1	-	-	-	-	-	2	1
Industrial Management	-	-	1	Noboru Inaba	1	-	-	-	2	1
Business Statistics*	1	-	1	-	1	Kazuhisa Adachi	-	-	3	1
Bookkeeping	1	Yoshiro Toda	1	Toshiro Otsuka	-	-	-	-	2	2
Accounting I	1	Katsuji Yamashita	1	-	-	-	1	Hisashi Tamabata, Masa'atsu Takada	3	3
Accounting II	1	Otojiro Kubota	1	-	-	-	-	-	2	1
Cost Accounting	1	-	1	Kazuo Mizoguchi	-	-	-	-	2	1
Commerce	1	Keitaro Fukuda	1	Yukichi Arakawa	-	-	1	Hideo Hirata	3	3

(continued)

Table 5.1 (continued)

Chair title	Professor		Associate professor		Lecturer		Assistant professor		Total	
	Quota	Name	Quota	Name	Quota	Name	Quota	Name	Number of chair capacity	Actual number of staff
Trade Theory*	1	Itaro Irie	1		-	Takuji Ishii	-	-	3	2
Theory of Financial Institutions	1	Kinji Tanaka	1		-		-	-	2	1
Transportation Theory	1	Torasaburo Nomura	1		-		-	Ichiro Akiyama	2	2
Maritime Transport Theory*	1	Hiroshi Suguro	1		-		-	-	2	1
Insurance theory	1	Saburo Shirasugi	1		-		-	Kazuya Mizushima	2	2
Total	15	13	16	6	4	3	3	6	38	28

Note * indicates chairs that were added by April 1953, not at the time the faculty established (May 1949). Commerce I and Commerce II were integrated into Commerce at the time of the establishment of the university

Source Kobe University Centennial History Editorial Committee (2005, p. 345), * marks author's additions

established at the Research Institute of Economics and Business Administration, and Tadakatsu Inoue (business history) and Minoru Beika (business location theory) were appointed as associate professors at this time. The research and education system of management studies at Kobe University rapidly expanded in several years immediately following the opening of the university.

Furthermore, in the area of commerce, it is noteworthy that some members of the Faculty of Economics supported KUBS as becoming adjunct professors. Kinji Tanaka, a professor of the Faculty of Economics, was concurrently the Chair of Financial Institutions Studies at KUBS until 1955. Although not mentioned in Table 5.1, Shigeru Fujii (1908–2000), a professor of the Faculty of Economics, was concurrently the Second Chair of Commerce at the time of the establishment of KUBS in 1949. Both Tanaka and Fujii were in charge of research guidance (seminars) in KUBS, along with research guidance in the Faculty of Economics. After Tanaka's retirement, Hiroshi Shinjo (1902–1978), who also belonged to the Faculty of Economics, was appointed as a professor of Financial Institutions Studies in KUBS and was in charge of research guidance in KUBS as well as in the Faculty of Economics (Kobe University Centennial History Editorial Committee, 2005, p. 344).

This cooperation with the Faculty of Economics is interesting because it is interpreted as a response to the criticism within the university at the time of the establishment of KUBS that management studies were too strongly oriented toward practice to be taught at the university. At the time, there was a strong general belief that economics formed part of the theoretical basis of management studies. Therefore, it is understood that the cooperation was a countermeasure to the criticism by establishing KUBS with researchers majoring in economics as one of the major disciplines of management studies.

In education other than research guidance, students of KUBS were required to take a wide range of courses offered by other faculties beyond KUBS. For example, "Economic Principles I" and "Economic Principles II" offered by the Faculty of Economics were compulsory courses for the students of KUBS, and several other courses offered by the Faculty of Economics and the Faculty of Law were set as elective compulsory courses. This was a feature that was rarely seen in other universities.

Such a curriculum that transcended the boundaries of faculties suggests that "business administration" (or "management studies") was regarded as an academic discipline with uniqueness as an applied science and that it was considered beneficial for KUBS to establish a cooperative relationship with other faculties based on various disciplines of more theoretical orientation.

5.2.2 Appointment of the Faculty Members

What kind of route was taken to recruit new faculty members by KUBS? Table 5.2 shows the backgrounds of the members of KUBS as of April 1953.

This table shows that before the appointment to KUBS, nine faculty members came from Kobe University of Economics, seven from the affiliated Professional Training School of Business Administration at Kobe University of Economics, one from the Second Faculty of Economics at Kobe University of Economics, and 11 were newly hired from various institutions. It can be seen that not only academics from Kobe University of Economics but also those who belonged to the affiliated Professional Training School of Business Administration played a major role in the establishment of KUBS and that several young assistant professors were appointed from outside institutions.

This suggests that before the opening of the new Kobe University, research and education in business administration had already been vigorously conducted at the Department of Business Administration of Kobe University of Economics and affiliated Professional Training School of Business Administration, which led to the approval of the name of KUBS, the first of its kind in Japan. In 1946, there were 1,801 applicants for admission to the affiliated Professional Training School of Business Administration (its admission quota was 200) (Kobe University Centennial History Editorial Committee, 2005, pp. 337–338). This is noteworthy, as it clearly shows the growing social demand for abilities in business administration in Japan at that time.

Therefore, although KUBS at the new Kobe University was the first named KUBS in Japan, the basis of its establishment had already been fulfilled to a considerable

Table 5.2 Career backgrounds of members of KUBS (April 1953) (Unit: persons)

Former working places	Professor	Associate professor	Lecturer	Assistant professor	Total amount
Kobe University of Economics	6	2	1	0	9
Kobe University of Economics' affiliated Professional Training School of Business Administration	4	2	1	0	7
Kobe University of Economics' Second Faculty	1	0	0	0	1
Others (newly appointed)	1	3	2	5	11
Total	12	7	4	5	28

Source Kobe University Centennial History Editorial Committee (2005, p. 345)

Photo 5.3 Mr. and Mrs Hirai with (back row, from left) Tadakatsu Inoue, Kiichi Ichihara and Akio Mori (1953). *Source* Kiichi Ichihara Memorial Commemoration Society (1981)



extent by then. Thus, although it sounded fresh inside and outside the university as a faculty name, it was not received as something so outlandish (Photo 5.3).

5.3 Development Process of KUBS

5.3.1 *Development of the Basic Framework for Research and Education in Management*

The initial course system of KUBS was changed from time to time in response to the needs of the times. However, it can be said that the early course system shown in Table 5.1 was already equipped with the structure that forms the basis of today's research and education at KUBS.

Table 5.3 shows the chair titles in 1953, 1992, and 2020 to illustrate how the courses established in the early years have changed since then. Notably, the chair titles here do not necessarily correspond to the names of the courses offered to students. For example, the name of the course offered by the chair of Labor Management was for a long time “Management and Labor Theory” (see also Chapter 9).

The year 1992 was the last year in which the course system was adopted in KUBS, and from the following year onward, the macrochair system was applied at the request of the Ministry of Education. After the incorporation of national universities in 2004, the “micro” chair system officially disappeared from the Standards for Establishment of Universities. However, from the viewpoint of continuity in faculty personnel and education in each field, KUBS has changed the term “chair” to “unit” (meaning “organizational unit for research and education”) and continues to operate the same

Table 5.3 Changes in chair titles and units in KUBS

Chair titles as of April 1953	Chair titles as of April 1992	Year of Chair additions and its name changes	Unit name as of April 2020
–	(Fundamentals of Management Studies)	Established in 1984	Human Network
Management I	Management Strategy*	Changed its name to General Theory of Management in 1964 and to Management Strategy in 1991	Management Strategy
Management II	Labor Management	Name changed to Labor Management in 1964	Human Resource Management
Corporate Forms	Business Administration	Name changed to Business Administration in 1973	Business Administration
–	Public Enterprise Management	Established in 1963	Business and Government Relations
Management Finance	Management Finance		Corporate Finance
Industrial Management	Industrial Management		Production Network
Business Statistics	Business Statistics		Business Statistics
–	Managerial Mathematics	Established in 1970	Decision Analysis
–	Information Management	Established in 1986	Management Information
–	–		Business History
–	–		Strategic Management [†]
–	(Fundamentals of Accounting)	Established in 1984	Accounting Information
Bookkeeping	Bookkeeping		Bookkeeping and Accounting History
Accounting I	General Accounting	Name changed to General Accounting in 1964	Financial Accounting
Accounting II	Auditing	Name changed to Auditing in 1964	Audit System
Cost Accounting	Cost Accounting		Cost Management
–	Management Accounting	Established in 1966	Management Accounting System

(continued)

Table 5.3 (continued)

Chair titles as of April 1953	Chair titles as of April 1992	Year of Chair additions and its name changes	Unit name as of April 2020
–	Tax Accounting	Established in 1960	Tax Accounting
–	International Accounting	Established in 1975	International Accounting
–	–		Social and Environmental Accounting [†]
–	(Fundamentals of Commerce)	Established in 1978, renamed Fundamentals of Market Systems in 1993	Market and Economic Analysis
Commerce	Marketing	Name changed to Marketing in 1964	Marketing
–	Distribution System	Established in 1978	Distribution System
–	Market Management	Established in 1989	Marketing Management
–	Corporate Environment*	Established in 1991	–
–	–		Customer Relationship Management [†]
–	Securities Market Theory	Established as Commerce II in 1957, renamed Securities Market Theory in 1964	Financial System
–	Securities Theory	Established in 1961	Securities Market
Trade Theory	Trade Theory		International Trade
Theory of Financial Institutions	Theory of Financial Institutions		Financial Institutions
Transportation Theory	Transportation Theory		Transportation Theory
Maritime Transport Theory	International Transportation Theory	Name changed to International Transportation Theory in 1988	Logistics Systems
Insurance Theory	Insurance Theory		Risk Management

Note *as of April 1992 indicates independent chairs; () indicates course names; [†]as of April 2020 indicates newly established units after the abolition of the chair system

Source Prepared by the author based on Kobe University Centennial History Editorial Committee (2005, pp. 347–348) and the minutes of the Faculty Meeting of KUBS (November 1997)

operations as in the traditional chair system within the organization. The fourth column of Table 5.3 shows the name of each unit.

According to Table 5.3, both in 1992, the final year of the chair system, and in 2020, the most recent year, the core of the course system was based on the chair system in April 1953. Courses and units in later years were basically an extension of the basic framework established in 1953.

First, the three major fields of business administration today, that is, management, accounting, and commerce, have already existed as the three major fields of research and education in KUBS as early as 1953. It is also worth mentioning that in 1964, when the Japanese economy was in the midst of rapid economic growth, six courses were renamed to more specific research areas at once. For example, “Business Administration I” was renamed as “General Theory of Management,” “Business Administration II” to “Management and Labor Theory,” “Accounting I” to “General Accounting,” “Accounting II” to “Audit,” and “Commercial Science” to “Marketing.”

5.3.2 *Additions of Chairs and Courses*

In the area of management, new courses related to mathematical analysis and the processing of quantitative data were established in response to the development of information technology in the 1980s. In the area of accounting, new courses have been established from time to time since the 1960s, and accounting-related courses became independent from the Department of Management as the Department of Accounting in 1968. This was the first department with the title of “Department of Accounting” in Japan. In the field of commerce, several courses related to marketing theory, which is close to management in terms of academic field, were newly established as marketing management studies, which include “Distribution System” and “Market Management.” In this way, the number of chairs and courses in KUBS has been expanding since 1957.

In addition, from the late 1970s to the early 1980s, the departments of management, accounting, and commerce successively established courses called “Fundamentals” from the viewpoint of educating all students belonging to KUBS on the basic knowledge of the three major fields. The faculty made these courses compulsory.

In any case, the most basic framework of the research and education system of KUBS today was largely formed in 1953. This course system served as a model for the faculties of business administration that were subsequently established one after another in universities throughout Japan (Kobe University Centennial History Editorial Committee, 2005, p. 345).

5.4 Training Center for Management Scholars

5.4.1 *Establishment of the Graduate School of Business Administration*

In 1953, four years after the establishment of KUBS, the Graduate School of Business Administration (with master's and doctoral programs) was newly established with two departments: the Department of Business Administration and the Department of Commerce.

After 1998, when the graduate school became a so-called "graduate university" through the emphasis on postgraduate education, the Graduate School of Business Administration formally became the main organizational name, and all faculty members became affiliated with it. KUBS, which carries out undergraduate education, became an affiliated organization of the Graduate School of Business Administration. However, for several decades since the graduate school was established in 1953, graduate education was conducted in the form of graduate school courses directly on top of undergraduate education. Research and education in graduate school was also based on the chair system of KUBS and developed as an extension.

Table 5.4 shows the results of a survey of the employment destinations of graduate students educated at Kobe University's Graduate School of Business Administration at that time (students who entered between 1953 and 1957).

Looking at Table 5.4, we first notice that the number of postgraduate students varied greatly from year to year and that the number of students entering doctoral programs was substantially smaller than at present. The number of students enrolled in the master's and doctoral programs was 25 and 12, respectively, less than half the 51 in the master's program and 32 in the doctoral program as of 2020. In addition to these programs, there is now a separate admission quota of 69 students for a professional degree program (so-called the MBA Program).

It should be noted that around the time of the establishment of Kobe University's Graduate School of Business Administration in 1953, the Japanese government did not have an education policy that emphasized postgraduate education as it does today and that there were few higher management educational opportunities, such as MBA courses for businesspersons, in Japan. This resulted in the fact that the graduate school in management was quite unfamiliar to the society in Japan at the time.

Furthermore, while it is currently common for postgraduate students to receive a doctoral degree and then obtain a job, at the time when Kobe University's Graduate School of Business Administration was established, there were no doctoral degree recipients in the humanities and social sciences. It was common for postgraduate students at that time to complete the master's program and to leave the graduate school before completing their doctorates to get (usually academic) jobs even if they entered the doctoral program.

Table 5.4 Places of employment of ex-students of the Graduate School of Business Administration (1953–1957) (Unit: persons)

Year of admission	Place of employment					Other institutions, or unknown	University or College names that employed the ex-students of the Graduate School of Business Administration each year () indicates the number hired
	Number of students enrolled (of which, those entering doctoral programs)	Private enterprises	Government offices, High schools, etc.	University, College, etc.			
1953	22 (11)	4	5	10	3	Kansai University (2), Kobe University (6), Yamaguchi University (1), Nagasaki University (1)	
1954	13 (4)	5	1	5	3	Osaka University of Economics (1), Kobe University (1), Kurume University (1), Oita University (1), Nagasaki University (1)	
1955	23 (4)	5	3	9	6	Osaka Prefecture University (1), Kansai University (1), Kinki University (1), Kagawa University (1), Kobe University of Commerce (1), Kobe University (1), Kwansei Gakuin University (1), Seinan Gakuin University (1), Oita University (1)	

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Table 5.4 (continued)

Year of admission	Place of employment					University or College names that employed the ex-students of the Graduate School of Business Administration each year () indicates the number hired
	Number of students enrolled (of which, those entering doctoral programs)	Private enterprises	Government offices, High schools, etc.	University, College, etc.	Other institutions, or unknown	
1956	14 (5)	4	0	8	2	Tokyo Keizai University (1), Wakayama University (1), Kobe University (1), Kobe City University of Foreign Studies (1), Okayama University (1), Kitakyushu University (1), Oita University (1), Nagasaki University (1)

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Table 5.4 (continued)

Year of admission	Place of employment					University or College names that employed the ex-students of the Graduate School of Business Administration each year () indicates the number hired
	Number of students enrolled (of which, those entering doctoral programs)	Private enterprises	Government offices, High schools, etc.	University, College, etc.	Other institutions, or unknown	
1957	9 (4)	5	0	4	0	No data

Note “Kobe University” in the rightmost column includes KUBS and the Research Institute of Economics and Business Administration
Source Prepared by the author based on internal documents for the compilation of Kobe University’s centennial history

However, the data in Table 5.4 show that even under these circumstances, which are very different from today, Kobe University's Graduate School of Business Administration played a role as an incubator of academic researchers nationwide (especially in western Japan). Although most of the students from Kobe University's Graduate School of Business Administration received jobs at national and public universities in general, it can be seen that some of them were employed by private universities that have established faculties of business administration or faculties of commerce and begun to provide systematic education in business administration.

In this way, the Graduate School of Business Administration at Kobe University inherited the legacies of the Graduate School of Kobe University of Economics and played a role in training academic researchers in management, accounting, and commerce.

5.4.2 Flexible and Liberal Academic Culture

Hirai led the introduction of management in Japan, and in line with the process from the Chair of Management to the establishment of the Department of Management, KUBS was born at Kobe University as the first of its kind in Japan. It has been consistently keeping an entrepreneurial and liberal culture, which accepts any difference and change to be regarded as necessary for the survival and improvement of KUBS.

“Management” is a concept that is based on the successful implementation of one's own plans as one desires. KUBS has created an academic culture that respects freedom and diversity while flexibly responding to changes in social needs and to the development of management research worldwide, just as the concept of “management” is put into practice. Such liberalism is exemplified in the expansion of courses offered by KUBS in response to the needs of the times and in the distinctive educational system that requires students to take courses offered by the Faculty of Law and that of Economics.

Backed by such flexible enterprising spirit and liberalism, KUBS of Kobe University established a prestigious position for a long period of time after the 1960s in Japan. Especially in the field of management studies, the three leading figures in Japanese academia at the time were Kiichi Ichihara (Chair of General Theory of Management), Kuniyoshi Urabe (Chair of Business Administration), and Susumu Kaido (Chair of Labor Management), all of whom belonged to KUBS at Kobe University (Photo 5.4).



Photo 5.4 The three captains of KUBS, Kaido, Ichihara, and Urabe (from left to right), at the reception. On the far right is Beika from the Institute of Economics and Management, Kobe University. Source Kiichi Ichihara Memorial Commemoration Society (1981)

5.5 The Management Boom in Japan and the Second Generation of KUBS at Kobe University

As the Japanese economy entered a period of rapid growth in the 1960s and as companies increased their size and the competition among them intensified, the academic field of management gradually became well known in Japanese society. In particular, in 1958, bestseller books on management, such as “Introduction to Management” written by Fujiyoshi Sakamoto (1958) and “Management” by Akira Yamashiro (1958), were published, and a so-called “management boom” occurred in Japan, which continued until the late 1960s. Translations of major foreign works in management, including those by P. F. Drucker, A. D. Chandler, Jr., H. D. Koontz, and C. J. O’Donnell, were also published in Japan during this period.¹

Meanwhile, a generational shift was underway in KUBS at Kobe University in this period. The first generation, including Yasutaro Hirai and Yoshimoto Kobayashi, was succeeded by the second generation, including Kiichi Ichihara (1921–1979), Kuniyoshi Urabe (1920–1986), Susumu Kaido (1923–2011), Akio Mori (1928–2016), Noboru Inaba (1914–2006), and Kazuhisa Matsuda (Adachi) (1924–1995). Most of them were recruited between 1951 and 1953 to complete the KUBS. Among them, Ichihara (a leading scholar in the German “school” of business studies in Japan), Urabe (a top leader of the American management studies in Japan), and Kaido (a central figure leading the critical and socialist management studies in Japan) had completely different research bases on management with each other, but each of them, while taking into account advanced studies in the world, did not end up merely

¹ See the following references: Drucker (1954), Koontz and O’Donnell (1964), Chandler Jr. (1962), Barnard (1938), and Simon (1960).

importing foreign studies but aimed at systematizing their own original management theories. They became the leaders of their respective schools or paradigms. They were the “stars” of KUBS and were also known as the “*samba-garasu*,” meaning the star trio.

At that time, Kobe University’s Faculty of Business Administration was unquestionably a cutting-edge research center for business administration in Japan. However, it was basically academic-oriented and maintained a certain distance from the “management boom” in Japan, except for Urabe, who published many books for business people, including the bestseller “Dangerous Company” (Urabe, 1963). Urabe was not only oriented toward the business world, but as described below, he was also a leading figure in academia, attempting to integrate the then cutting-edge modern management theories such as those of H. A. Simon, J. G. March, and R. M. Cyert with institutionalist economic theories such as those of J. R. Commons.

In the following sections, we try to convey the atmosphere of KUBS at Kobe University in the period from the 1960s to the mid-1980s by focusing on the three professors, Ichihara, Urabe, and Kaido, who can be said to be symbolic figures of this era.

5.6 Kiichi Ichihara and German Business Administration

Kiichi Ichihara became an associate professor of the First Chair of Management, Faculty of Business Administration, Kobe University in 1952, and succeeded Yasutaro Hirai as the Chair in 1961. He was a leading authority on German business studies and a central figure in the “Kobe Schule” (Kobe School), having authored books such as Ichihara (1954, 1957, 1959). In his course, he was in charge of the General Theory of Management, and the name of his Chair was changed to General Theory of Management in 1964. He was a strong centripetal force in the KUBS of Kobe University and the Japan Academy of Business Administration and was a central figure of the second generation of faculty members. It is very unfortunate that Ichihara died in 1979 at the age of 57 while he was the Chair of General Theory of Management.

In academia, perhaps in line with Ichihara’s personality, he placed particular emphasis on the argument of H. Nicklisch, a German normative business economist with a communitarian orientation. He was said to be fond of saying, “If Nicklisch were here, he would say that ---,” and used Nicklisch as a yardstick for his research. However, Ichihara not only studied Nicklisch but was familiar with almost all of the leading scholars of German business studies, as shown in his books. He was also quite familiar with American management studies, such as Bernard’s. Although he thoroughly reviewed a vast amount of literature, he took them up only what was of true essence to management. It can be said that Ichihara’s aesthetic sense, which is said to have favored only the best, was strongly at work here.

This style of research was supported by Ichihara’s excellent information-gathering ability and international personal connections. In Ichihara’s graduate seminars,



Photo 5.5 Ichihara (right) and Kaido, circa 1967

foreign books that had not yet appeared in the new publication announcement of the largest foreign book seller in Japan were used as teaching materials. Ichihara was also a good friend of prominent German management scholars such as K. Hax and E. Gutenberg, and he invited them to Japan to give lectures at Kobe University and at the Kansai Section of the Japan Academy of Business Administration. However, because he was a great lover of literature, it is said that when he lost many of his books in a fire at his home, Ichihara's despondent appearance was painful to people around him. It was whispered that this was one of the reasons for the shortening of his life (Photo 5.5).

5.7 Kuniyoshi Urabe and Modern Management Theories

Unlike many of his colleagues, including Ichihara and Kaido, Urabe was a graduate of Tokyo University of Commerce. In 1952, he invited KUBS at Kobe University and became an associate professor of the Second Chair of Management, and later in 1963, he took the Chair of Corporate Forms as a professor. He is a leading authority on American business studies and modern management theory, and the name of his chair was changed to the Chair of Business Administration in 1973. He is the author of numerous books, including Urabe (1958a, b, 1966, 1968). He has also contributed to the "management boom" by publishing a bestseller "Dangerous Companies" and supervising the translation of J. C. Abegglen's work (Abegglen, 1958). He retired from Kobe University in 1983.

Urabe was one of the key figures in bringing American management studies into the mainstream of management studies in Japan. He also fostered many researchers, including Hideki Yoshihara (1941–2022), Tadao Kagono (1947–), and Toshihiro Kanai (1954–), who became leaders of the third generation of KUBS (Yoshihara belonged to the Research Institute of Economics and Business Administration, Kobe University). Urabe also contributed to the establishment of the Academic Association for Organization Science of Japan. His work covered almost all the major areas of management studies, including the theory of corporate forms, business administration, organizational behavior, corporate strategy, management information systems, and Japanese-style management. He truly embodied the general theory of management based on American management studies. In the “Dictionary of Business Administration” (Urabe, 1980a), he wrote many of the entries by himself and presented his own system of management theory. In addition, his selected works, including Urabe (1980a, 1980b, 1981) published in the same year and the following year, can be said to be the core of “Urabe’s Management Theory.”

Based on the positive view of life that people can change, innovate, and control their environment through their proactive decision-making, Urabe attempted to integrate institutional management theory, such as corporate morphology, with modern management theory based on organizational theory, using the argument of J. R. Commons (the institutional environment constrains human actions, but the active mind of humans can control the institutional environment) as a mediator. He demonstrated to the world the meaning of the existence of management studies as a science of people and organizations that exercise their own initiative to accomplish their purposes despite institutional constraints (Photo 5.6).

Photo 5.6 Urabe shortly after his arrival at KUBS.
Source Editorial Committee of the Fifty Years of Ryoso



5.8 Susumu Kaido and Critical and Socialist Management Studies

In 1953, Susumu Kaido became an associate professor in the Second Chair of Management, Faculty of Business Administration, Kobe University, and in 1964, he succeeded Yoshimoto Kobayashi as a professor. In the same year, the name of the Chair was changed to “Labor Management.” He was an authority on critical management and socialist management studies based on Marxist economics, and the author of Kaido (1974, 1977): two volumes on management and labor theory, and of Kaido (1983, 1984a, 1984b): three volumes on socialist management theory. Kaido served as the dean of KUBS from 1980 to 1982 and retired in 1986.

Management and labor theory was proposed by Kobayashi, who had been Kaido’s predecessor, and was named an academic discipline that dealt with labor problems from an academic rather than a managerial perspective. Kaido, who respected Kobayashi, his former supervisor at Kobe University of Commerce (Kobe University of Economics) when he was an undergraduate student, inherited his professor’s theory. He also inherited the three-tiered structure of philosophy-economics-management studies and the scheme of capitalist management studies, critical management studies, and socialist management studies from his former supervisor at the Wakayama College of Commerce, Sozo Kitagawa (1904–1953). Kaido tried to develop from critical management studies to socialist management studies.

Kaido’s research style was a development from philosophy and value theory to management studies. In other words, it was in the opposite direction of empirical research: philosophical and value-theoretic considerations took precedence over empirical data. Therefore, research meant reading and deeply understanding the literature. Kaido often said to young researchers, “Study 10 hours a day. Write one paper every three months, and you will have one book in three years. If you take such a way, you will be able to publish 10 books by the time you retire. That is your quota as a researcher.” However, Kaido never forced his academic paradigm on his graduate students. For example, Koji Okubayashi, Kaido’s successor to the Chair, began the undergraduate seminar under Kaido by studying F. W. Taylor, and he continued his research on American human resource management in graduate school (Photo 5.7).

5.9 Toward the Third Generation: Transition to Management Science Based on Empirical Research

Thus far, we have briefly described the research and education of the three professors representing the second generation of Kobe University’s Faculty of Business Administration. At that time, the mainstream of business and management studies was gradually shifting from German business studies to American management studies, while critical management studies were developing uniquely in Japan, and these paradigms coexisted side by side. Although representative researchers of each paradigm stood



Photo 5.7 Kaido performing Japanese dance. He was a skilled dancer with a stage name as an accredited master. Provided by Nobuchika Kaido

side by side in KUBS at Kobe University, they respected each other and maintained a good relationship, sharing a strong sense of mission for the prosperity of the faculty and business and management studies in Japan. The story is often told of Ichihara, Urabe, and Kaido drinking together after an academic conference.

Of course, the contributions of the second generation are by no means limited to them. Other professors at KUBS, such as Yukichi Arakawa (1923–2018), Hisashi Tanihata (1919–2001), Masa’atsu Takada (1931–2019), and others, in addition to Mori and Matsuda previously mentioned, also played leading roles in their respective research fields, as did Ichihara, Urabe, and Kaido. They shared a sense of mission to lead the Japanese academic world in their own research fields, and it was taken for granted among them.

Turning to the trends in Japan, management studies showed remarkable prosperity during this period: from the establishment of the Department of Business Administration in the Faculty of Economics at Kyoto University in 1959 to that of the Department of Business Administration in the Faculty of Commerce and Management at Hitotsubashi University in 1975, national universities continued to establish business administration departments, and similar trends were seen at public and private

universities as well. The number of members of the Japan Academy of Business Administration reached 1,677 in 1977. The establishment of professional societies also progressed, such as the Academic Association for Organization Science in 1959 and the Japan Society of Human Resource Management in 1970. The number of students in Kobe University's Faculty of Business Administration also increased, from 210 undergraduate and 37 graduate students in 1960 to 310 undergraduate and 76 graduate students in 1979.

As already mentioned, Ichihara died in 1979, Urabe retired in 1983, and Kaido retired in 1986, marking the transition from the second to the third generation. The Chair of the General Theory of Management was taken over by Tadao Kagono (1947–), the Chair of Business Administration by Toshihiro Kanai (1954–), and the Chair of Labor Management by Koji Okubayashi (1944–) (Fig. 5.1). In the second generation of management studies, different paradigms of management studies coexisted side by side, but all of them were mainly literature studies with few empirical studies. In the third generation, American management studies became the mainstream, which was a global trend, and empirical research was conducted by collecting and analyzing quantitative and qualitative data from real companies. The leaders of this movement were Masanori Tamura (1940–), the Chair of Distribution Systems at Kobe University's Faculty of Business Administration, and Hideki Yoshihara (1941–2022), a Professor at Kobe University's Research Institute of Economics and Business Administration, who were the eldest members of the third generation. Tamura conducted quantitative research using statistics, while Yoshihara conducted empirical research using case studies, and both had a great influence on younger researchers of the third generation. In addition, resonance with Hitotsubashi University researchers of the same generation, such as Ikujiro Nonaka (1935–), Hiroyuki Itami (1945–), and others, firmly established the trend toward empirical research. On the other hand, differences in academic paradigms became less noticeable with this movement.

In the flow of management education, the style of business schools in the U.S. became the model. This trend was observed not only in Japan but also in Germany, the United Kingdom, France, and other countries. Of course, in many cases, the introduction of the new system was adapted to the various systems and ways of thinking in each country. Kobe University is no exception to this trend, and since the 1990s, under the leadership of the third generation, Kobe University has been developing graduate education, such as Ph.D. and MBA programs. The next and subsequent chapters will discuss the history of this process.

1960			1986				
Chair Title	Professor	Associate professor	Lecturer	Chair Title	Professor	Associate professor	Lecturer
Management I		Kiichi Ichihara		General Theory of Management		Tadao Kagono	
Management II	Yoshimoto Kobayashi	Susumu Kaido		Labor Management		Koji Okubayashi	
Corporate Forms	Tatsuo Takenaka	Kuniyoshi Urabe		Business Administration			Toshihiro Kanai
Management Finance	Yasutaro Tamba	Akio Mori		Management Finance	Akio Mori	Shigeki Sakakibara	
Industrial Management	Noboru Inaba			Industrial Management		Masayuki Mumakata	
				Public Enterprise Management	Hiroshi Sasaki		
Business Statistics		Kazuhisa Adachi		Business Statistics	Kazuhisa Matsuda		Hisao Hisamoto
				Managerial Mathematics	Takashi Iga		Hideo Suehiro

Fig. 5.1 Changes in Chairs in the Department of Management, Faculty of Business Administration, Kobe University (Comparison between 1960 and 1986).
Source Prepared by the author with reference to “Chart of the Chair System” (1949–2001), Faculty of Business Administration, Kobe University

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