The Entire System of Wages and Rewards to Increase Productivity in Factory

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Abstract---One of the latest tests to see whether one day or an industrial organization is functioning successfully or less successfully is the product units of that system. This assessment is not directly about the physical equipment, technology, or products of Japanese factories or about capital expenditures, and the stage of the companies being studied. However, there is a close relationship between social organization and the special attention currently paid to the question of productivity, apparently considering some special consideration of the problems which increase the effort to increase productivity in the large Japanese factories. Productivity - of course - is a relative measure, and the standard commonly used by Japanese executives is the output and cost of American factory production. In general, Japanese executives do not flatter their company when it comes to making such comparisons. Estimates need to be rough, and it can be difficult to mislead them to try to get an exact value. However, in comparing their factories to American factories producing the same goods, very few Japanese executives would speculate on a measure of productivity.

Keywords---factory, productivity, rewards, system, wages.
Introduction

As high as 50% of comparable American units and the more frequent estimate is one-sixth to one-fifth the productivity of America's peers. American observers have estimated a ratio of one-fifth, that is, the productivity of Japanese factories is roughly 20% of comparable American factories (Singh & Pattanaik, 2020). A factory, which uses American processes and machines to manufacture products under American patents and thus has the factory structure that American firms report its managers are producing at a rate roughly between 60-70% of American companies. This is the highest percentage reported by any company that is observed. Although there is good basis for doubting that such comparisons of figures can be made over a large number of factory units, such an estimate poses a real problem, and is something that provides an opportunity to examine the effect of social organization on factory operations which is actually (Fan et al., 2020).

Solving the problem of increasing productivity and analyzing the factors that tend to suppress productivity usually involves mechanical engineering and technical factors, as well as organizational changes in plant technology (Jeni et al., 2020). Without underestimating the importance of these aspects of productivity and their role in increasing output, it remains possible that most of the problems that arise in Japan are not so much due to technical factors as the influence of social organization on productivity systems. The same as this statement is important, both for the level of productivity and technological change, made in the face of the fact that several decades ago Japan - if you look at national income in outline - showed a surprising increase in yield (output), obtained a large increase in productivity, and introduced a large number cutting-edge technology. However, the discussion on productivity and technological changes is focused on existing factories, where machines are already in operation, the workforce, the management group, and a production system. With these existing facilities, the problem takes the form described here. On the basis of the observations made, it seems that the big companies will introduce a new technological system by constructing completely new factories, mostly employing a new and separate labor force. Productivity can be defined as the balance between the output of the factory and the costs for producing the product (Kumar Satyam et al., 2020).

These costs can include materials, labor, capital costs, equipment, supplies, research and marketing. In considering the cost-output equation and trying to solve it for Japan, there is an important difficulty, namely the relative nature of the role of labor and the relative role of machines in the Japanese and American production systems. Japanese business people, as well as American specialists, tend to accept the form of the equation that comes from American production. This makes for a rather misleading comparison. Since labor is the greatest expense in the American production system, in order to keep production costs as low as possible and maximize productivity, the number of effective uses of machine tools and methods is the key to maximizing productivity (Tewodros, 2020). But the situation for Japanese factories was not the case, because machinery was the greatest cost and compared to the cost of both American machines and workers, the wages of labor were very low. This comparison is relevant to a large number of factors that influence productivity. For example, the
way the factory transport of materials and semi-finished goods is carried out by lift and by wheelbarrow according to American standards will be very expensive and inefficient. It is hardly a luxury where the wages of labor are so low.

More important than the problem of recognizing a seemingly extravagant labor force - according to American standards - and then complicating the direct comparison of the two productivity systems is the fact that fixed costs in Japan are not limited to things like inventories and equipment. Labor, in Japan also includes a fixed fee, something that is not easy to adjust if the situation requires. Regulations prohibiting layoffs and dismissals have been outlined. Regarding productivity, this means that a large number of workers - the amount and cost of work - will be maintained. The problem faced by the board of directors is not a matter of reducing the number of workers required in production, but rather maximizing the amount of energy needed in order to actively employ the entire workforce and proportionally reduce the amount of investment in equipment, power (power) and space (Kokubun & Yasui, 2020). Thus there is a fundamental difference between the relative roles of equipment and labor in the two economic systems which makes this comparison misleading. However, whatever picture is given to these factors and any estimate of productivity that can ultimately be extracted for Japan, it also seems appropriate to maintain that productivity in Japan is vastly below the average American productivity. This low productivity is largely due to the different social organizations; and the technological changes inspired by the West have had only a limited effect on the level of productivity and have in some aspects only exacerbated the problem. More than any single factor affecting productivity today is a general rule, traditional and strong, which stipulates that all workers at all levels of the enterprise have a permanent position in the enterprise (Vignocchi, 2020). Most Japanese companies have a surplus of workers who receive a salary, and at the level of the board of directors it is no less than in the workplace.

The proliferation of jobs / positions and the use of labor methods that are already saturated in production is largely the result of this. More importantly, the existence of a labor surplus effectively blocks many of the incentives for improving production methods. For example, machines that save labor can hardly be considered of benefit by the board of directors if the replacement of labor costs by machines only forces the directors to add that labor cost to another part of the total operating cost. Management systems and production systems that reduced the need for labor were a real danger to Japanese factories. For example, the Japanese offices had too many administrative staff to do the most elementary accounting and statistics by hand. Regardless of whether IBM-type machines would save in terms of Japanese workers' wages, replacing administrative power by machines would not — at least in the short term — represent an overall savings. Whether the price of the machines is paid in wages or with a special resignation allowance as severance pay, all will be in addition to the existing wage costs. What this consideration does not include is the moral harm that such compensation cannot doubt (Jayady et al., 2021; Radziwon et al., 2014).
The general organizational principles of permanent work

The general organizational principles of permanent work also affect productivity from the point of view of the efficient use of existing personnel. First, the tremendous difficulty in ridding the company of work that does not create harmless / harmful positions for people who have proven inadequate in management or in the workplace. Second, the great threat to the labor force has been removed / removed and the Western opinion that at least - the basic incentive for panicking is absent, it seems incorrect to argue that the Japanese worker is less energetic in doing his job when compared to his Western counterparts. However, his energies have now been forced by such things as loyalty to the company and a close relationship with his supervisor direct (Biney, 2020). This motivation for job effectiveness will be lost if impersonal Western-style employment relationships replace the current system. So changing the current basis of work-relations - which Westerners would see more rational - would require changing the incentive system with the psychology of Japanese workers. The immobility of the labor force within the factory means not only that directors cannot manipulate their workforce to do part of the productivity equation, but also far-reaching ones, if such changes are so well suited that workers at all levels are dissatisfied with their work they have many difficulties to change (Du Plessis, 2020).

This factor also has an effect on overall productivity. The issue of labor immobility is only discussed in relation to the local factory. It is likely that its broad economic effects are profound and observable if the entire economy is viewed as a single unit. Closely related to permanent work regulations in their effect on productivity is the influence of the recruitment system run by large Japanese companies. Since the placement of new workers is generally based on jobs that were open at the time of hiring, skills for certain jobs - apart from general training for technical positions - were not a factor in the selection process. This is in stark contrast to Western practice which bases employment-relations and selection on the appropriateness of individual skills and experience with certain occupations. The most effective placement of manpower and the most effective and steady use of labor has been eliminated (Noor et al., 2020). Although the threat of dismissal does not exist, it seems incorrect to argue that Japanese workers are less energetic in doing their jobs than their Western counterparts. However, his energies have now been forced by such things as loyalty to the company and a close relationship with his supervisor direct (Kristal et al., 2020).

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The most effective placement of labor and the most productive use of labor clearly requires compatibility between position and person, as well as the ability to easily transfer people from one position to another if the compatibility of the person and position is not a good thing. In this respect, Japanese companies are severely hindered by current practices, but it must be emphasized here that Japanese ways are unchanging and do not result from a lack of understanding of ways of dealing with labor. The selection approach is more of a very closely tied part of the whole approach to staffing problems. Such a situation will also be encountered if we examine the Japanese approach to the people being promoted in factories and offices. There can be no question that a promotion that is so determined by age and seniority will sacrifice efficiency. Although the issue of promotion also concerns things such as the absence of job classifications and job evaluations which make it difficult to select / specify rational factors that can be used as the basis for promotion, it is a fact that age and seniority are important in all cases aspects of life in Japan. The factory will and must conform to broad social settings. As it is with promotion, so it is with wages (Wang et al., 2016; Juslén et al., 2007).

The entire system of wages and rewards

The entire system of wages and rewards arises from and is part of a customary pattern of society. The distance between the manorial lord in a non-monetary economic system that exchanges services with its followers and Japanese companies that use wages only as a part of the exchange of obligations with their workers is not large. From an efficiency point of view it does not make sense that two people doing the same job side by side will receive, for reasons of family size, age, or other considerations irrelevant to the results of their labor, completely different wages. From an efficiency point of view it is also illogical that a skilled worker should receive much less than an unskilled person. Even so it is deemed appropriate and appropriate that a young person who is only responsible for his own cost of life, and may still be assisted by his family, will receive less wages than a man with a wife and children who are his responsibility and other needs that weigh heavily on him. The Japanese wage system has shifted away from the way of working to using money as the main incentive for higher productivity. This affects the adoption of piecemeal work systems, close cost analysis, job specification and evaluation procedures, and other ways of increasing productivity that are common in the West. Most of this apparatus is based on a system of wages and incentives and penalties.

Applying this method to large Japanese companies is very difficult. Most problems with the wage and incentive system depend on attempts to avoid assigning
individual responsibility or blaming someone in the Japanese group, thus relinquishing the matter of reward or punishment on someone (Gevaert et al., 2021). The philosophy underlying this organization has had an impact on the efficiency of the company in several ways. A small example of this effect is the existence of some kind of inspection or quality control (quality control). In a factory that manufactures steel pipes, directors face a number of problems involving low-quality produce. The pipe being produced is for drilling oil wells for the export market and must meet a rather careful inspection standard. The pipes are 100% inspected at 3 production levels, a very expensive procedure. At the last examination, the rejection rate was still high. Such quality control problems are not unknown in American companies. What is especially striking in this factory is the fact that the problem is never communicated to the workers.

The engineering group is responsible for the quality of the output, but the workers are not informed about the problem and there is no attempt to blame anyone for the situation or to generate effort among the workers to improve the quality. There can be no doubt that this special situation is partly due to the very low level of communication between directors and employees. However, a more important influence is avoidance, which has become commonplace, one’s responsibility for mistakes and failures in production. On a more general level, the system of decision-making by directors, communicating them and their impractical execution and the proliferation of directorships, are examples of this same attitude. Authorities are not clearly defined and responsibilities are not easily determined. There is another overview of the Japanese company, which has not been discussed, that is relevant to this review of the ways in which the non-technical aspects of an organization affect productivity. In order for the differences between Japan and the West to become clear, a short summary of the American approach will be made (Yeow & Sen, 2003; Brown & Taylor, 2013). When entering an American company to discuss organizational activity and its problems, the title of one of the first and perhaps the first problem cited - overriding production, employment, and other matters of concern - is sales. Senior personnel often have a background in marketing, most of the company's staff will be in sales.

The problem of the number of sales and marketing, the means of advertising, the development of new products and new markets - these are all part of the constant (constant) thinking of people at all levels in the company and a constant concern. This is philosophy expansion and change. With a noticeable difference, because people can go for days talking about company policies and corporate matters in large Japanese companies at all levels, and - except for the possible concern that orders are not enough - but never at all about the number of sales, marketing or advertising. There is a clear link between the roots of this lack of concern about real sales numbers and productivity problems. For example, the Japanese local market is usually considered to be something limited which only leaves companies with little possibilities. Whether this assumption is in fact correct is questionable (Mukherjee et al., 2000; Schuh et al., 2014).

However, in most production lines, there is little appetite for direct competition to take a greater share in today's domestic market, that is, to penetrate directly into other markets and firms by attracting consumers. Furthermore, interest in and
investment in the development of new products is low. Whether this is cause or effect, a common Japanese practice is that sales and distribution are carried out by third parties, namely trading firms or job-makers. While it is true that a trading company will usually be affiliated with that company's headquarters, the factory itself is usually isolated from any direct interest in sales. A typical prewar cartel had a central unit of a trading company acting on behalf of an entire group of manufacturing units (Tri et al., 2021; Menzel & Woodruff, 2021). The industrial firm's lack of attention to sales and marketing, and a lack of experience in the field, were the most striking symptoms of a general conservatism among Japanese directors relating to company operations. Putting aside political conservatism which is essentially a picture of the rejection of the attitude of the directors, there is actually a general desire on the part of the board of directors to hold on to the current market, to operate within the current framework, and in general be more defensive than expanding.

Many factors affect The Entire System of Wages and Rewards to Increase Productivity in Factory apart from those discussed in this article, including: Attitudes: (Kholisoh & Ali, 2020), Compensation: (Purba et al., 2017), Creativity: (Desfiandi et al., 2017; Yacob et al., 2020; Richardo et al., 2020; Prayetno & Ali, 2020; Widayati et al., 2020), Knowledge: (Mukhtar et al., 2016), Leadership: (Noor et al., 2016; Bastari & Ali, 2020; Ali et al., 2016), Learning Resources: (Elmi et al., 2016), Organizational Commitment: (Harini et al., 2020; Prayetno & Ali, 2017).

**Conclusion**

Regarding productivity, the philosophy underlying these people on the board would further reduce the likelihood of any demands that might exist in the system to change procedures or increase productivity. To refer to some of these procedures and attitudes as illustrative of the effect one organizational system has on productivity is not to say that the system is bad or that others can be substituted to increase productivity. Indeed, it may be argued that it is only with this organizational system that large-scale productivity in Japan has been possible and is still possible. In thinking about productivity and organization, what matters is the way in which technological methods and technological problems are rooted in the social aspects and attitudes of Japanese society. Changes in an area within the entire factory complex will involve a series of changes in the entire area, changes which do not necessarily have a positive total effect. In connection with the statement that changes in one part of the factory system will reverberate past that point of change and can have a positive effect, and succeed only when viewed from the whole system; hence the efforts of Western technicians currently in Japan - especially American technicians - are noteworthy.

Because of the long experience of paying attention to ideas and methods in the industries of other nations and the current American view that Japanese industrial success is essential to achieving American political success, a number of attempts are being made by Americans to stimulate productivity in Japan. Given what dazzled an engineer or technician and a marked lack of Japanese production, it was offered free of charge suggestions and recommendations for making changes to the Japanese people. Then, seeing the success of the
American method in the American environment, it turns out that there is not the slightest readiness on the part of the Japanese people to study and try to apply the American method of production. The few roads - which use American technology in Japan suddenly and in bits - that have been interfered with, blocked or obtained unfortunate results, are clear from this study.

References


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