

# The Role of Work Ethic in the Development of Singapore, South Korea, Malaysia, Japan and European Countries

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**Abstract**—Work ethic and labour productivity issues are extremely important for any society. It has been long proven by the global practice and various scholars that the country promoting the labour has always been way forward from the other countries. This paper studies the thoughts suggested by M. Weber, Confucius, Lee Kuan Yew, Mahathir Mohammad and other prominent thinkers concerning the issues of work ethics and labour productivity. The article analyzes why developed nations are way more advanced in their development compared to other nations.

**Keywords**—Work ethic, labour productivity, religion, philosophy.

## I. INTRODUCTION

THE formula of dynamic development demonstrated by advanced countries is now being explored by different scholars and experts. It is our belief that the main driving forces of the economical growth in any country is the human labour and work ethics. This has been brightly illustrated on the example of Germany and Japan which have demonstrated a great leap forward by the end of the 20<sup>th</sup> century becoming countries ranked the 2<sup>nd</sup> and the 3<sup>rd</sup> after the USA by GDP despite their defeat in World War II; or South Korea which has turned from being one of the poorest countries after the end of the Civil War in 1953 into one of the world's wealthiest nations; or the prosperous development of Singapore which is scarce in natural resources, the land and drinking water; and Malaysia, the former British colony. The work ethics is measured against the labour productivity, whereas the labour productivity is measured by the amount of

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goods and services produced by the worker within a certain time limit, i.e. the worker's performance. In the economics, the labour productivity accounts the time along with the rate of output demonstrated by the worker. For instance, the output becomes more timesaving when the labour productivity improves; the performance gets more efficient within the given time unit. The man's financial condition is directly proportionate to the productivity of his/her labour. The performance and output of all the workers contributes to the wellbeing of the country. According to the global statistics, the labour productivity is highly exhibited by citizens of the richest countries which display good corporate social responsibility.

## II. THE ROLE OF PROTESTANT ETHIC IN THE DEVELOPMENT OF EUROPE

The global history of development shows that the growth of each state depends on numerous factors. Work ethic and labour productivity have been emphasized by the global practice and different scholars as one of the main factors facilitating the development and prosperity of any country. In his "The Protestant Ethic and the Spirit of Capitalism", M. Weber highlighted that the productivity of labour demonstrated by nations depends on their religious and work ethic attitude. For instance, it has been identified that the followers of the Protestant religion in most European countries have better living standards than followers of the Catholicism. The largest portion of industry owners, trade merchants, shareholders and entrepreneurs were the representatives of Protestantism. According to M. Weber, a set of values like integrity, honesty, diligence, hard work, responsibility, confidence, strive for professional development, frugality, purposefulness, sound judgment, initiative, inviolability of property and value of property propagandized by the Protestant religion as the base of work ethic has led to the development of capitalism in the Protestant Europe. One of the motivating factors for the person to display hard work is the necessity to accomplish his ultimate life purpose which is, according to Lutheran conceptions, manifested through fulfilling a duty to benefit the society [1]. Emphasizing that "certain nations (representatives of certain religious affiliation) prefer to sleep well or eat well", M. Weber says the Protestants choose to eat well, whereas the Catholics to sleep undisturbed [2]. In his works, Weber

mentioned Benjamin Franklin's virtues and principles. The time, for instance is money, and sincerity brings benefit, diligence and integrity; meanwhile money, in light of its prolific, generating nature, beget more money. He that is known to possess these virtues, may at any time, and on any occasion, raise all the money his friends can spare and that is the increase of his credit [1]. Weber believes that a man who strives to bring maximum benefit, or be competitive, pursue wealth and display hard work and diligence is the essence of the capitalistic society.

The current status quo shows that the owners of the richest and the largest enterprises are mainly the Protestants. The brightest examples are the wealthiest families such as the Vanderbilts or the Rockfellers, the founders of the largest corporations as Bill Gates, Mary Kay, Paul Getty, Harold Hunt, James Penny, Sam Walton and others [3].

In the 21<sup>st</sup> century, the European countries could be grouped into three in respect of their religious affiliation:

*Protestant countries:* 9 countries which include Great Britain, Germany, Denmark, Iceland, the Netherlands, Norway, Finland, Switzerland and Swiss (Germany, the Netherlands and Switzerland are included in this group despite the equal number of the Catholics and the Protestants, due to the profound role of the Protestants in the development of these countries);

*Catholic countries:* 14 countries including Austria, Belgium, Hungary, Ireland, Italy, Spain, Malta, Poland, Portugal, Slovenia, Slovakia, France, Croatia and the Czech Republic;

*Orthodox countries:* 6 countries including Bulgaria, Greece, Cyprus, Macedonia, Romania and Serbia [4].

TABLE I  
 AVERAGE GDP PER CAPITA IN PROTESTANT, CATHOLIC AND  
 ORTHODOX EUROPEAN COUNTRIES [5]

No.	Protestant, Catholic and Orthodox European countries	GDP per capita by 2012
1	9 Protestant countries	\$32,965
2	14 Catholic countries	\$23,519
3	6 Orthodox countries	\$12,102

According to information above, the rates of GDP per capita in the Protestant countries are \$32,965, whereas GDP per capita in the Catholic countries equals to \$23,519. The rate of GDP per capita in the Orthodox countries is \$12,102. The Protestant European countries appear as advanced nations not only in Europe, but throughout the entire globe. It should also be noted that the major competitors of the Protestant European countries are the other protestant states such as the USA, Canada, Australia, and New Zealand. Comparatively, the provided statistic data demonstrates that the theory of Max Weber still remains relevant.

### III. PECULIARITIES OF THE WORK ETHIC SINGAPORE, SOUTH KOREA, MALAYSIA AND JAPAN

*Singapore.* In his "From Third World to First", Lee Kuan Yew explains that the development of Singapore is based

upon the Confucian philosophy. Thus, the set of values such as hard work, integrity, modesty, law obedience, etc. promoted by the Confucian philosophy have contributed to the dynamic growth of the country [6]. The Confucian philosophy promotes the following ideas: the labour increases the wealth of the country and its ruler, whereas the regulation of patriarchal-family relations is the basis of the social structure stability. The philosophy determines numerous concepts of education and upbringing. The concept 'Yi' refers to 'duty', 'justice', 'responsibility', 'moral sense', 'righteousness' and the concept 'Chih' means 'moral wisdom' and refers to the knowledge, intellect, wit and analytical thinking skills of a man. The other concept 'Hsin' is based on the idea that a man must remain loyal to the government, the ruler or superior, the father and his own principles [7]. Development of Confucian core principles has become the major factor of the country's advancement in the second half of the 20<sup>th</sup> century.

*South Korea.* Due to its citizens that display hard work based on Confucian work ethic, South Korea has demonstrated an incredible growth in the global economy. For example, GDP per capita in the 1960s was \$79 [8], though it increased in 2011 up to \$31,200 [9]. Thereby, South Korea has joined the list of 15 developed countries with the growth of GDP per capita by 394 times over the last 52 years. South Korea adopted Confucianism in 788 A.D.. Therefore, Confucianism has long been absorbed by the population of South Korea. Along with Confucianism, work ethic in this country has also been influenced by the rigorous regime of Japan's colonial rule, as well as by the philosophy relevant to oriental nations. In 1985, for example, the researcher Kim Kyong-Dong interviewed the workers of South Korea asking them a question 'If you had sufficient financial support to live a better life, would you still continue to work?' As a result, the interview demonstrated that 96% of respondents provided a positive answer, confirming that 'they would still continue working'. This certainly demonstrates that the Koreans do not only perceive the labour as a tool to thrive, but use it to self-actualise and achieve their ultimate goals [10]. Today, the Koreans are ranked as one of the hard-working nations with 2,357 hours worked on average each year.

*Malaysia.* In his "The Way Forward", Mahathir Mohamad specifies that in 1960s-70s, the Chinese followers of Confucianism living in Malaysia possessed 34.3% of the corporate wealth (unlike the Tamil Indians who possessed a few portion of the country's wealth since they were involved in Malaysia as the labour force) and controlled the entire trade, industry and urban culture. 63.3% of the corporate wealth was in the hands of foreign entrepreneurs, meanwhile the Malays who made up about 56% of all the population had a share of only 2.4% of the wealth and displayed low labour productivity. Thus, the Chinese population adhering to Confucianism has played a significant role in development of Malaysia. Nevertheless, Dr. Mahathir bin Mohamad encouraged 'the Malay people to be involved in the fast-track development processes with a vision to make Malaysia a fully industrialized economy' [11]. The policy of Mahathir

Mohamad (the new economic policy of Malaysia) aimed at promoting the labour and motivating the entrepreneurship has proven that the improvement of labour productivity does not purely depend on matters of religious affiliation or philosophical attitudes, but lies with mechanisms designed to develop the competent work ethics. Within 20 years, the Malays' share of corporate wealth increased by 30%.

*Japan.* Japan can be referred to as the country demonstrating a high labour productivity. After the defeat in World War II, the economic and social conditions in Japan were in the state of devastation. Within 25-30 years after the war, however, the country has joined the list of the most developed nations. Japan has become the cradle of the new advanced technologies. It has topped the list of the best places to live in. Definitely, the achievements of the country have become possible primarily due to the hard work displayed by its citizens, their attitude to work and willingness to serve the interests of their homeland. 'One life – one job' is the core value of each Japanese citizen. Serving one employer in an honest manner is considered by each Japanese worker as the ultimate employment purpose. Western countries are now demonstrating the prevalence of personal interests over the collective interests, whereas collective interests in Japan prevail over the self-interest. The Japanese, for instance, refers to the place of their employment as 'uchi'. 'Uchi' in Japanese renders the meaning of 'family', 'home'. 'Uchi' for a Japanese worker is the object of the sense of pride, honour and integrity. In response to the question about their occupation, the Japanese provide the name of the employer. Work ethic in Japan is based on the concept 'Giri'. 'Giri' describes the duty or obligation of an individual [12]. The peculiarity of the employment market in Japan is the lifetime employment. A person employed on a lifetime basis will have a formally guaranteed employment until his retirement unless he or she is noticed in unethical conduct or breach. The employment agreement may be terminated neither by employer nor employee unless there are serious reasons for termination. The resigned employee will not have the right to return to the previous place of employment, as well as his previous work experience will not be taken into account at new employment opportunities [13]. Therefore, the employees do not demonstrate any motivation to change their workplace. The availability of adequate and necessary labour conditions make the turnover rate in Japan remain at the lower level, whereas the principle of lifetime employment restrains the recruitment of newer, talented human resources. Work ethics in Japan is also peculiar in terms of career development. The career promotion is mainly based on age criteria rather than talent requirements. The elder the employee, the more experienced he gets, i.e. there are more opportunities for him or her to get promoted.

Labour violations, the poor performance and a negligent attitude towards the work are considered as factors discrediting the corporate image. The management mainly strives to regulate the entire labour processes rather than focusing on conduct of certain employees. The other

peculiarity of the work ethic in Japan is the payroll issues. Salaries of top-managers must not be 7 times greater than the salary of a new hire employee. The wage policy in European countries could be noted in this respect. For instance, the Swiss consulting firm *Hostettler Kramarsch partner* conducted a sociological research in 2012 to study the wage policy in different companies. The survey results demonstrated that top managers of the largest companies receive a hundred times a greater salary than the average employee and this wage policy is considered by respondents as an unfair practice. Respondents agree that the salaries of top-managers may be 16-18 times greater than the average salary, but must not be 100 times greater and the salary be paid against the demonstrated performance. Respondents also suggested that the wage level for all the categories of employees must be allocated in a transparent manner indicating the criteria and performance against the level of salary. If salary was to be paid based on skills and performance of each employee, this would improve the competitiveness and labour efficiency in the company. Respondents believe that the unfair allocation of wage leads to 'social tensions' [14]. For reference, the salary received by top-managers of the US in 1980 was 70 times greater than the salary of an average American employee, though today this difference is even more tangible with top-managers receiving from 204 to 364 times greater salary than the average American employee [15]. This gap relevant to the western work ethic has long been resolved in Japan.

#### IV. FACTORS THAT INCREASE LABOUR PRODUCTIVITY

The classic definition of 'labour productivity' provided by Adam Smith says, 'the productivity of labour and land will not increase unless we ensure the increase of capital, improve the industrial power and performance, ensure the correct division of labour'. The theory of Adam Smith is remaining relevant until these days. Several factors, in this respect, contribute to enhancing labour productivity:

*Physical and technological factors.* The physical capital refers to machine, equipment, buildings and objects used to produce goods and services. Physical capital is a fundamental factor of productivity. For instance, the man builds the house in 6-8 months using hand tools, whereas it can be built in one month given the availability of large cranes or other construction equipment. One machine may carry out the work requiring the workforce of 20-30 people. Thus, the machine increases the labour productivity by several times, saves the time and makes the manual work easier. The ability to understand the trends in the development of science, technology, industry and the field of occupation is called the technological knowledge. For instance, the use of wind power requires fewer resources than the use of traditional energy. Use of the uranium for power generation is more profitable and less labour-intensive. The supremacy of human capital leads to the acquisition and development of the technological knowledge.

*Socio-economic factors.* The extent of labour productivity depends on the professional development of workers, their attitude towards labour relations (labour values) and working conditions specified by F. Hertzberg. Professional qualification of workers is extremely important. Not all employees are capable of demonstrating equally high quality performance; which is why it is important to have more highly qualified workers to ensure the productivity of labour. The attitude of workers towards labour relations determines their interest and motivation towards performing their duties either in a dedicated or negligent manner. The works of M. Weber and Lee Kuan Yew already demonstrated how the attitude of hard work and frugality promoted by the Protestant and Confucian religions has contributed to the increase of labour productivity. Socio-economic factors also include the concept of the 'human capital'. Human capital is the knowledge, intellect, health conditions, quality and efficient labour of a man. The enhancement of the 'human capital' depends primarily on the government initiatives to ensure necessary conditions and allocate funds for the development of health care, education and science. The developed nations distribute 5-10% of GDP for education and 8-10% for health care [16]. It is certainly insufficient for Kazakhstan to appropriate 3-3.5% of GDP [17] for each of these fields.

*Natural resource factors.* This category includes the land, water, mineral products and other natural resources. The availability of natural resources extends the scope of workforce use and facilitates the development of the country. As an example, Japan is now restrained in its further development due to the scarce limit of natural resources. It is becoming evident, that the country is constrained in its multi-vector development due to challenges of the demographic growth and impediments in managing new economic sectors. Therefore, Japan is now showing a great interest in investing into the development of various sectors in numerous countries. It is an empirical truth that the countries that have limited natural resources invest in countries that are rife with resources yet show poor indicators of development. Thereby, investing in natural resources of other states, the country strives to consolidate and retain its power and image. Meanwhile, certain small countries are compelled to limit their economy by developing only one or two industrial sectors due to the scarcity of natural resources.

*Labour management and labour organization factors.* Creation of working conditions in the organization, staff motivation, just and fair wage policy, prevention of labour conflicts are factors directly affecting the labour productivity. Transnational corporations are now starting to pay a special attention to the organizational issues. For instance, some large corporations strive to provide all the facilities necessary to live, to work, do shopping or having a rest and other required facilities in their offices, i.e. the employee may stay, work and live in one building. The number of companies providing similar conditions is increasing in large megalopolises such as New-York or Hong-Kong to ensure the employee does not waste his in traffic jams.

## V. WORK ETHIC AND LABOUR PRODUCTIVITY IN CAPITALISM AND SOCIALISM

The rise of socialism in the 20<sup>th</sup> century has led to the standardization and introduction of restrictions on the freedom of thought, labour motivation, national cultures, traditions and religions. The 20<sup>th</sup> century has clearly demonstrated that any civilized nation is predestined to the decline within the conditions of standardized society. Therefore, it is safe to presume that it is not only religious beliefs that affect the labour productivity and the economic achievements of the nation, but the political, economic and social systems are playing their part as well. This is evidently proven on the model of the USA and the USSR, or South Korea and North Korea which, in fact, practice the same religion.

*South Korea and North Korea.* In 1945, the Korean nation has divided into the socialist North Korea and the capitalist South Korea despite having a common history, common mentality, religion and culture. The achievements of two countries which followed different ways of development may be compared against their current social and economic performance.

TABLE II  
 RATES OF GDP PER CAPITA IN NORTH AND SOUTH KOREA [18]

<i>North Korea</i>	<i>South Korea</i>
GDP - per capita (PPP):	GDP - per capita (PPP):
\$1,800 (2011 est.)	\$31,200 (2011 est.)
country comparison to the world: 197	country comparison to the world: 41
\$1,800 (2010 est.)	\$30,400 (2010 est.)
\$1,900 (2009 est.)	\$28,700 (2009 est.)
<i>note:</i> data are in 2011 US dollars	<i>note:</i> data are in 2011 US dollars

*The USA and the USSR.* It is also worth comparing the development of the USA which adhered to capitalism and the USSR which adhered to socialist principles. In 1960s-1990s, the USA demonstrated a better labour productivity than the USSR, though both countries possessed rich natural resources. It is obvious that the USA was far more advanced in terms of technological and physical capital, e.g. one farm worker in the USA could gather tons of cotton using the technology, while citizens of the USSR were doing it manually in 1970s-1980s. When the USA was using the robot to assembly the car, the USSR relied on the old technology and manual workforce in this field. This trend was relevant to all the fields of country's development.

TABLE III  
 COMPARISON OF THE USSR AND THE US ECONOMIES (1990) [19]

	The USSR	The USA
GDP (PPP) (1989-millions \$)	2,659,500	5,233,300
Population (July 1990)	290,938,469	250,410,000
GDP per Capita (PPP) (\$)	9,211	21,684
	2,684 (1990est.) (Nominal; 70th)	5800.5 (1990 est.) (Nominal;)
Labour force (1989)	152,300,000	125,557,000

The USA demonstrated a better labour productivity compared to the USSR due to its attitude to the labour, labour motivation and labour values. The US citizens understood that they worked for their own benefit and their labour was aimed at gaining the welfare. Meanwhile, it was difficult for the people of the USSR to believe or to hope to benefit their own labour or to get a better salary than their co-workers. The American citizens could clearly see that the more output they demonstrated the more benefit they gained [20]. Tradesmen worked non-stop, the level of competitiveness has increased, and the technology was used to improve the labour performance. Paternalism and infantilism become the paradigm of labour and industrial relations in the USSR, while the free market society recognized that the higher living standards depend on the labour output of the labourers.

#### VI. CONCLUSION

- 1) The economical growth depends on the work ethic;
- 2) Attitude towards labour depends on the cultural peculiarities, religious beliefs, the history and mentality of the nation;
- 3) Max Weber suggested that the development of capitalism requires the development of individualism, however, the development trend in Japan, South Korea shows the capitalism may well be developed in conditions of collectivism;
- 4) When nations practicing the Protestant and Confucian ethics (and other work ethics) select socialism as a path of development, the country fails to demonstrate a successful development, the labour productivity will be at the lowest level;
- 5) Natural resources, physical and technological factors, socio-economic factors and labour management issues are critical for the development of the country and increase the labour productivity;
- 6) Promotion of labour values, labour motivation and work ethics will facilitate the dynamic growth of the nation (the model of Malaysia).

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