

Convincing in the Tokyo Start-up Village  
Possibilities of Malleable Structure

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## Abstract

This thesis focuses on the ‘village’ (*mura*), an assemblage of actors in Tokyo’s start-up scene characterised by first-time founders in their 20s or early 30s and their supporters. I analyse how efforts to retain key stakeholders lead to conflicts between founders, employees, and VCs (venture capitalists) throughout different start-up stages (seed, early, and growth stages). For this analysis, I have engaged in 12 months of multi-sited fieldwork and conducted 39 further semi-structured interviews in para-ethnographic fashion. Anthropological explorations of start-ups are rare, and this is one of the first long-term fieldwork-based studies in a Japanese context.

Following this inquiry, I find that start-up actors across field sites invoke similar discourse that criticises regulation and bureaucracy in the light of Japan’s lost decades of post-bubble low growth. Instead they appreciate the notion of ‘making one’s own opportunities’, which relates to the start-up’s emergent and thus ‘malleable structure’. Absent in such ideals are the tensions such structure can entail, which stem from the conflict inherent in relying on a founder’s performative vision and the manifold ways in which people’s perceptions refute such vision as futures becomes ‘present’. These tensions become manifest once teams fall apart and founders resign.

The reliance on one embodied ‘vision’ relates to the uncertainties and fears the future brings into people’s lives. The introduction of audit techniques can destabilise such ‘visions’, as they provide visible evaluation mechanisms. This leads to ‘temporal’ gaps between those who expect ‘change’ due to what such mechanisms indicate, and others who wish to persevere by following the ‘vision’. Overcoming such gaps seems difficult due to internal role arrangements that stress the importance of execution rather than discussion or deliberation. This partly relates to the structural arrangements of the start-up model, functional models of the company, and the emic notion of company-as-family.

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## Notes on the Text

I have transcribed the original Japanese using Hepburn style and added it to the translation when relevant. I have done so when terms appeared difficult to translate due to their cultural connotations or due to idiosyncratic word choices which express particular affective states. I did not follow such conventions for terms routinely known outside of Japan (Tokyo, Osaka, etc.).

Only emic terms are written in italics. Theoretic terms are first introduced in single quotation marks and subsequently used without. Single quotation marks are also used to emphasise words and particular connotations.

Following Japanese convention, Japanese names when cited in full length are written with family name first.

The interlocutors and their organisations are all anonymous.

A conversion rate of 100 Japanese Yen = 0.93 USD was used, which is largely representative of the fieldwork period.

## Introduction

To what extent is the world pre-constituted — a result of past processes and norms repeating themselves — and to what extent is it a result of ‘our’ making, of agency, aspirations, or imagination? If I tell people of my ‘dream’ (*yume*), to what extent is it ‘mine’, and how well should I be compensated for achieving what is ‘mine’? These questions point to a conundrum relating to the actual extent of ‘individual freedom’ (in the sense of free will) and the intersubjective and collective attribution of agency (Laidlaw 2002). Such problems appear particularly relevant in what I call contexts of ‘malleable structure’.

Within this thesis I am interested in how actors negotiate malleable structure in Tokyo-based, high-growth start-ups founded by young adults in their 20s or early 30s with Venture Capitalist (hereafter VC) involvement. The term ‘malleable’ is useful as it allows us to extend the focus beyond the start-up as an organisational vehicle. While in a sense theoretical, the term’s meaning is based on common attitudes interlocutors articulated (as further outlined in chapter 3). The start-up is malleable as people are endowed or at least believe they are endowed with the means to shape the social structures, that determine their ‘life chances’ (Weber 1980: 531ff). They appear to ‘make their own opportunities’ since bureaucracy, local regulations, structures, traditions and measurement mechanisms are not yet fully established. This relates to the start-up’s emergent structure, which results in a lack of bureaucratic structures, established rules, history, tradition, etc.. Rather than limit the scope to start-ups, ‘malleability’ allows us then to explore a characteristic typical of start-ups in Tokyo, which is also likely applicable to the experience of similarly emergent human collectives (e.g. new schools, new tribes, new universities, new associations, etc.) more broadly.

The malleable structure of start-ups brings with it particular challenges: relative risk of failure, disorganisation, and sudden change. Such challenges are linked to the claim of doing something ‘different’ with the ‘future’ in mind, and this frequently necessitates acts of ‘convincing’. For the prominent VC Peter Thiel, for example, a start-up is ‘the largest group of people you can convince of a plan to build a different future’ (2014: Ch. 1). This convincing tends to be what founders (and, to a lesser extent, executives or employees) are expected to achieve by telling people about their ‘dream’. Schumpeter (1934) presciently seems to invoke such acts of convincing<sup>1</sup>, linked to a sense of ‘knowing’, when he describes entrepreneurs as larger-than-life ‘radical innovators’ who lead others to bring forth ‘creative destruction’. Creative destruction here means the disruption of existing and continuous economic patterns through the use of new technology.

In contrast, Knight (1921) compares founders, start-ups, and investors to those playing probability games by relating the success of start-up innovation to unpredictable future ‘uncertainty’, which differs from risk. While statistical risk allows for a stochastic assessment of possible outcomes, uncertainty means the inherent immeasurability of future outcomes. This tension between structural uncertainty and intersubjective convincing (and knowing?) is what drives much of my inquiry. There is tension between one position, which stresses how entrepreneurs act in situations of uncertainty, and the other which posits individual agency, the power to ‘change’, and even knowledge of the future.

This tension appears linked to the efforts people make to elicit trustworthiness, to appear worthy of intersubjective association. While Knightian uncertainty is an existential ‘given’ related to an unknown future (in which only death is certain), perceptions of certainty regarding others or groups can be attributed to ‘social acts’ such as convincing and

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<sup>1</sup> Schumpeter’s (1934) definition seems to invoke such acts without actually describing them.

promising (Austin 1946, 1962). ‘When people come together to bind themselves to a future, the covenants they create among themselves throw “islands of predictability” into the “ocean of uncertainty”’, as Arendt (1998: xix) argues. It is, then, also convincing or promising which becomes important for the collective shaping of malleable structure. This is not to say that start-ups are purely fictional or irrational, but rather that even the best ‘plans’ do not necessarily come true. Personal promise in start-ups might relate, for example, to expressing the conviction or dedication that one does all that is necessary to make the ‘dream’ informing the shaping of malleable structure come true. People, accordingly, ponder certain questions when things do not work out as planned. To what extent did someone fail to act upon their promise, upon their ability to shape malleable structure? Who is to blame, or was success never certain anyway? On the other hand, if everything works out as promised, whose success is it then foremost, and why are we so sure about it?

What encompasses such questions is the central research question of this thesis: “What kind of ideologies, trust-building mechanisms, and strategies do VCs, founders, and employees in Tokyo use to associate with each other in situations of structural uncertainty associated with newness and fast growth?”

This question shapes the inquiry focused on the following objectives and areas of relevance:

- (1) The research should yield relevant insights into social theory regarding uncertainty and the future. Such theory is particularly fitting for the context of start-ups (as just introduced). Explorations of organisational contexts with a focus on the future are still rare (Bear 2016).
- (2) The research should provide emic ethnographic insight into Tokyo’s start-up ecosystem and start-up organisations. There are no known ethnographies of Tokyo’s start-up ecosystem. The research question allows for relevant insight

into the ethnographic context. It touches upon the conflict, that stems from the structural uncertainty inherent in start-ups and the positive appreciation of long-term commitment idealised previously in the context of Japanese large corporates (cf. Rohlen 1974, Vogel 1979, Kondo 1990, Graham 2003, Dasgupta 2013, etc.).

- (3) The research should reveal how and under which circumstances people associate with each other in the context of the *mura*. This relates to the topic of trust and trustworthiness. Trust has been frequently explored in the context of start-ups, but rarely using a historic, processual, and contextual perspective (cf. Welter 2012, Castaldo et al. 2010), which anthropology can offer. Using an anthropological perspective, it becomes possible to reveal what people do to appear trustworthy and how this shapes social dynamics. Of particular interest is here the ambiguity inherent in having to appear ‘trustworthy’ according to roles (Mauss 1985) and norms of ‘public’ behaviour (Goffman 1956, Naito & Gielen 1992).
- (4) The research should portray novel insights enabled by multi-sited ethnography. Multi-sited ethnographic explorations of organisations are still rare (cf. Urban and Koh 2013). A multi-sited exploration allows us to explore the interplay between organisations rather than focus only on their effect on others or their inner workings. The interplay of relevance is the interaction between venture capital funds (hereafter VCFs) and start-ups.

While I have briefly touched upon the context of objective 1 in the first few pages of this thesis, I introduce the context relevant for the objectives just outlined in more depth going forward. I will first touch upon all objectives not yet introduced and then conclude with a more in-depth discussion of anthropological theory concerning objective 1 and 3.

The following section introduces the ethnographic context (objective 2). In Tokyo, VCs, founders, and employees try to convince others to join start-ups amidst what is framed as an environment of uncertainty and increasing precarity. This might be referred to as the narrative of what is known as ‘lost decades’. Such narrative elicits a pessimistic picture of ‘Japan’ characterised by sluggish economic growth since the 1990s and a shrinking, ageing population. In reaction to slowing economic growth and structural inefficiencies, Japanese politicians have engaged in ‘liberalisation’, resulting in the dismantling of corporate welfare structures, increases in non-permanent labour contracts, and increased precarity, as Allison (2013) points out.

The perspective stressed in the narrative of lost decades often elicits a sense of pessimism that appears in contrast to insights such as Vogel and Vogel (2013), who focus on the ambiguous transitional, rather than detrimental, impact of such changes, e.g. increased working opportunities for women but no appropriate employment models for childrearing and motherhood. Similarly, Genda (2017), in connection with the project of Hope Studies at the University of Tokyo (2005–), indicates that the Japanese are actually quite hopeful, with 80% of respondents to a survey conducted in 2006 indicating that they have hope and 60% answering that they believe such hope will come true.

Nevertheless, it is often this pessimistic and nostalgic narrative of lost decades which becomes invoked in the context of Tokyo’s start-up space (the *mura*) and acts as a motivating and driving factor. The *mura* (village) is a network of people involved in start-ups, mostly in their twenties or early thirties, whose ‘connection’ to each other partly characterises the ‘village’-like atmosphere of the start-up space. *Mura* interlocutors oftentimes invoked the lost decades as something they as start-up builders could overcome. Such statements need to be partly seen in the context of the questionable reputation of start-ups as visible in media discourse.

This questionable reputation appears best captured by the media coverage surrounding the spectacular arrest of livedoor, co. ltd. Founder Horiemon Takafumi. Horiemon was among other things accused of market manipulation. In the media, his arrest was interpreted as the backlash of the ‘old’ system against a new and rising elite of young, western-style market capitalism internet entrepreneurs (Nakamoto and Pilling 2006). Horiemon’s opponents portrayed him as driven by greed, the prospect of quick money. He was labelled as removed from the feelings and sensitivities of ordinary workers.

While Horiemon’s downfall occurred in the early 2000s, the questionable reputation of start-ups or *benchā* persists even nowadays. Articles answering the worries of job-seekers regarding the employment conditions of start-ups and the characteristics of ‘good’ start-ups are not unusual (e.g. Moovy 2021, Shinoadokyaria 2018). Not surprisingly, the lost decades were for *mura* interlocutors something they would master in a different manner: Rather than quick money, today’s entrepreneurs had the ‘right’ values. They pursued goals that were in accordance with the ‘greater good’ and national economic rejuvenation.

The conjuncture of individual discourse and greater national purpose is, though, not purely coincidental. The role of the lost decades is also visible from a policy perspective where ‘liberalisation’ in the form of start-up ‘market-making’ becomes similarly presented as one act deployed to reinvigorate ‘Japan’. In such instances, it is usually the language of the ‘hard-working’ individual who strives and collects rewards through merit which emerges. A strict meritocracy — ‘you can make it if you try’ — is, though, a ‘double-edged sword’ (Sandel 2020: 29) which, while rewarding ‘winners’, denigrates those who fail. Within Japan, this sentiment has been prominently invoked by Yamada’s (2004) analysis of neoliberal Japan as a society of increasing disparity or *kakusa shakai* consisting of ‘winners’ (*kachigumi*) and ‘losers’ (*makegumi*).

Furthermore, reminiscent of the media coverage surrounding Horiemon's case, is the antagonism articulated towards the 'old' system. The ideals young adults (people in their 20s, early 30s, or younger) in the *mura* invoke are opposed to what they often name as symbols of lost decades, the 'overly' bureaucratic Japanese large corporation. Within the *mura*, the comparative lack of such bureaucracies and their rules and structures is celebrated, and seems to inform seemingly 'carnavalesque' (Bakhtin 1984), anti-bureaucratic ideals such as *yankī* (form of rebellious youth), *iketeiru* (cool), or *hanayaka* (festive). The *mura* is, though, not an outright carnival (*matsuri*) but rather has carnivalesque or *hanayaka* (festive) undertones (*yankī*, *iketeiru*, etc.). I will hereafter refer to *hanayaka* (ideals, undertones, etc.) to invoke the *mura*'s carnivalesque aspects (see also Chapters 3.2; 4.2 for a detailed discussion of such terms, related concepts, and their application).

The *hanayaka* is here particularly understood as the inversion of value hierarchies, what Bakhtin calls 'the logic of the "inside out" (*à l'envers*)' (1984: 11). One might also find similar qualities in what Turner (1967) calls 'anti-structure' or a 'liminal' attitude. While such inversion is, in Bakhtin's analysis (1984), an inverted but regulated affirmation of the 'existing order', the breakdown of such order in the carnival similarly shows its 'arbitrary' nature, which also opens the door to 'subversive attitudes' (Graeber 2007). In the case of the *mura*, the imagination of 'different futures' appears located between subversion and affirmation, as further explored in the following paragraphs. In Turner's (1967) analysis of the ritual process, 'anti-structure' similarly results in 'structure', but rather than a traditional pre-determined structure, such outcomes are less certain and remain undefined in contexts of malleable structure, which allows actors partially to redefine 'structure'.

*Hanayaka* ideals appear in contrast to 'the large corporate' and are as follows: instead of conservative deliberation — *supīdo* (speed) or immediacy; instead of consensual decision making across several hierarchical layers — *jikkō* (execution) of the will and pitch

of a founder; instead of careful due diligence or perfectionism — *ōnashippu* (ownership), the ability to ‘create’ without hindrance. The *hanayaka*, which as the carnivalesque is also characterised by a focus on the body and an egalitarian sense of collective connection, appears to be further present in the youth of *mura* actors and their informal clothing as well as the *mura*’s focus on social connection building and ‘passionate’, embodied performance (during fundraising, start-up events, meet-ups, etc.).

On the other hand, such *hanayaka* ‘inversion’ is only partial. Although the *mura* seems to be a place of possibilities, it is still firmly anchored within the capitalist norms of growth and capital. Once start-ups grow, once possibility begins to emerge as reality, actors often perceive bureaucratic rules and techniques in contrast to *hanayaka* attitudes. In such moments, it is in particular the claim of founders and management teams to discursive dominance which elicits critique from both employees as well as managers. For critics such claims are in conflict with modern ‘audit cultures’ (Strathern 2000a, Shore and Wright 2015) and ‘audit virtues’ such as ‘transparency’. The ‘objective’ truth of quantitative key performance indicators (KPIs) signifies for them a contrasting ‘reality’ that demands egalitarian discussion and problem-solving.

The actions of executive teams are driven by various ‘spectres’ (Zeitlyn 2020): fears of ‘what if’, of the virtual that could come to ‘haunt’ (ibid.) us, which threaten the felicity of the claims they make, the cohesion of their teams, and the start-up as an economic entity. Their claim to hierarchical superiority appears in many ways intertwined with rhetorical movements that make the start-up’s purpose and vision or *bijon* ‘theirs’. Characteristic of a *bijon* in the Japanese context appears to be this linking of self and start-up *bijon*, which can already emerge in the earliest stages of start-up founding, the seed fundraising stage which focuses on ‘investing in the person’, and might further persist throughout the early and growth stage of start-ups. Such claims are intertwined with start-up share ownership, which

is mostly in favour of founding teams (and later also investors). In conjunction with such one-sided economic ownership distributions, founders and those who side with them stress the importance of parental-visionary role ideals, internal cohesion, and dedication to the company and its *bijon*. These notions are partly reminiscent of the ‘sticky’ relationality and internal cohesion that the older company-as-family ideal (Vogel 1979, Rohlen 1974, Brinton 2010) promotes.

The promotion of long-term dedication and cohesion is often in contrast to the complaints of employees, who focus in particular on their *ōnashippu* opportunities, their ability to create and realise interesting projects which is interlinked with economic growth. For the vast majority of them, the economic structures in place fail to incentivise long-term, ‘family’-like dedication. Their salaries don’t increase, and while founders have actual share ownership, they ‘only’ own equity options contracts which they perceive as unlikely bets on the start-up’s eventual stock market listing.

These conflicts then result in a situation removed from *hanayaka*, anti-bureaucratic ideals. Instead, bureaucracy and measurement partly function as balancing mechanisms to highly hierarchical states (at times benevolent and parental, at times authoritarian). While, in principle, the ‘suspension’ of bureaucracy can harbour the potential for egalitarian and consensual decision making mechanisms in the spirit of the anarchist (Graeber 2015), this is not necessarily the case as bureaucracy allows for ‘objectivity’ (generally applicable rules, due diligence, generally accepted quantitative measurement, etc.), and the lack of ‘objective’ bureaucratic techniques can thus lead to hierarchical states characterised by dependency on one person’s decisions as well as their interpretation of ‘reality’.

The observations of this thesis are then relevant to Weber’s (2001) ‘rationalising’, ‘demystifying’ accounts of bureaucracy and appear partly in contrast to the common critiques articulated against established audit cultures. Particularly in the context of

established institutions (e.g. universities), which have so far functioned without audit norms, the introduction of audit culture is seen critically as an aspect of the greater ‘financialization’ of the world, which imposes ill-fitting ‘standards’ and centralises power.

Likewise, the conflicts between *hanayaka* attitudes and bureaucratic norms typical of the fieldsites are comparable to Weber’s (1980) observations regarding charismatic authority. Like the carnivalesque, ‘charismatic’ authority exists outside of existing structures (inherited, professional, official authority, etc.). In Weber’s observations, charismatic authority eventually becomes ‘traditionalised’ or ‘routinised’ (*Veralltäglichung*) due to social and economic interests, in addition to the practical demands of bureaucracy. However, such routinisation is rarely without conflict, since people still have similar expectations towards the now routinised charismatic authority, and encounters between charismatic authority and other forms of authority (bureaucratic, inherited, etc.) lead to strife, as Weber (1980: 145) remarks.

Thus, what links Weber’s (1980) routinisation of charisma and the carnivalesque is the tension between formal, ‘predetermined’ systems (such as bureaucracy, KPI, patrimony, etc.) and an affective, embodied, ‘mission-driven’ authority. This opposition is comparable to the tension between the ‘formal order’ and the boisterous, embodied, and grotesque carnival. As in Weber’s (1980) observations, there is something similarly ‘open’ and yet undetermined in the *hanayaka mura* which, though, becomes limited and confronted with ‘predetermined’ standards and authorities once bureaucratic norms need to be introduced and taken ‘seriously’.

In the following section, I will further outline the relevance of trust in a start-up context (objective 3) and how the question and approach this thesis follows contributes to such

knowledge. This ties into the role of ethnography and the contributions multi-sited ethnography in particular can make (objective 4).

The role of trust for start-ups has received much attention, but ethnographic perspectives regarding start-ups are rare within entrepreneurship studies. The vast majority of trust research engages with trust and related notions (social capital, network, etc.) in an effects-oriented manner (e.g. Brüderl and Preisendörfer 1998, Davidsson and Honig 2003, Jenssen and Greve 2002). ‘We know much better what trust *does* than what trust *is*’, as Castaldo et al. (2010: 658) remark. In addition to an effects-oriented research focus, there is no consensual definition of the term trust (Shapiro 1987, Welter 2012) but rather a plurality of trust frameworks indicative of wide-ranging explorations in management science, economics, organizational theory, sociology, behavioural science, and philosophy.

Although an anthropological approach won’t necessarily reveal what trust is or what trust does, it can extend the research focus beyond ‘static’ or fixed trust frameworks. This can be achieved by focusing on the processual elements that characterise people’s ‘trust-building efforts’ — their performances of trustworthiness — and the various perspectives that others have towards such efforts. Trustworthiness is here understood as what people do to appear ‘worthy’ of intersubjective association. What people say and what they do tends to differ (e.g. Lapierre 1934, Deutscher 1973, Pausewang 1973), and what people say in different contexts can further differ (Goffman 1956). Such differences do not usually emerge in quantitative or purely interview-based studies with ‘strangers’, but necessitate intimate understanding and group membership that can best be obtained through long-term participant observation.

In the context of multi-sited ethnography (objective 4), it is relevant to know, that ethnographic explorations of organisations in Japan have been rare within the start-up

context. Established companies have, instead, been the focus of ethnographic explorations of Japanese organisations, with the majority conducted in large companies (e.g. Rohlen 1974, Graham 2003, Kondo 1990, Vogel 1979) and, to a lesser extent, in smaller organisations (e.g. Whittaker 1997, Reader 2000, Hardacre 1986).

Start-ups in Japan are often explicitly or implicitly compared to Silicon Valley start-ups (e.g. Storz 2008, Cole 2006, Kneller 2011). This thesis sides with Whittaker et al.'s (2009) call for more embedded perspectives on Japanese start-ups that account for differences in economic structures, as well as in the motivation of actors. Failure to account for such differences might make policies aiming for a Silicon Valley-like model a mismatch to what people in Japan are looking for, and render purely quantitative comparisons superficial.

I follow Urban and Koh's (2013) view that multi-sited fieldwork (Marcus 1995, Salazar & Orobitg 2012) can bring new insights to the study of organisations. Urban and Koh (2013) have pointed out how research on organisations is either confined to organisational boundaries or focused on the effects of organisations on others (children, indigenous peoples, women, etc.). To cross such boundaries, I have engaged in research in three main fieldsites (2 start-ups and 1 VCF) throughout 12 months of fieldwork and conducted 39 semi-structured interviews. What such an approach enables is an understanding of how similar issues and questions transcend one context and become appropriated differently by different people (VCs, employees, founders).

Lastly, I return to the topic of time, uncertainty, and the future (objective 1) as well as trustworthy appearance (objective 3) using an anthropologic theory angle. Start-ups appear as timescapes (Bear 2016, Dalsgaard & Nielsen 2015) as they capture how the future influences people's present concerns and actions (Guyer 2007, de Abreu 2013, Appadurai

2013, Zeitlyn 2020). Both ethnographic explorations of the future and explorations of timescapes within organisations are still rare (Bear 2016).

In the context of malleable structure, relevant concepts are the ‘near future’ (Guyer 2007), ‘stressful spectres’ (de Abreu 2013, Zeitlyn 2020, Pels 2020), the difference between ‘possibility’ and ‘probability’ (Appadurai 2013), and social acts such as the ‘promise’ (Austin 1946, 1962; Arendt 1998) or convincing mentioned at the beginning of this introduction. In Guyer’s (2007) analysis the near future functions in contrast to the ‘long-run’, the endless future horizon of apocalyptic expectation, or the continuous market operations of central banks. The near future is a future timeframe that people can grasp, plan for, and engage with if they like. Within start-ups, *bijon* of the near future, that founders formulate in start-up pitches, tend to play a prominent role.

One factor that drives peoples’ engagement with the near future is fear of the ‘what if’ (de Abreu 2013), of the various ‘spectres’ (Zeitlyn 2020) that could come to haunt us from the ‘virtual’ (What if we fail to achieve our goals? What if our team mates leave?). Such fears are strong drivers of present behaviour which relate for Pels (2020) to interactions between human culture, psychology, and biology. The generalised unsafety theory of stress (GUTS) posits that people, unless exposed to safety indicators, always experience an embodied reaction to stress (Brosschot et al. 2018). To these concepts I add ‘temptations’: ‘what if’ as a form of a ‘grass is greener’ fantasy, which people cannot immediately access due to existing social relationships and commitments (What if joining another start-up is more fun?).

‘Possibility’ and ‘probability’ (Appadurai 2013, cf. Bourdieu 1979 on foresight and forecast) are of interest as they relate to the attitude people assume when evaluating their future paths. Possibility describes idealistic, affective attitudes towards the future that ‘increase the horizons of hope’ (Appadurai 2013: 295), while probability relates to

pragmatic, calculative attitudes towards the future, systems of ‘diagnosis, counting, and accounting’ (ibid.).

I use these concepts to explore how broader categories of ethics, epistemes, and techniques of time (Bear 2016) become enacted. The ethics of time describe how right and wrong behaviour is justified with reference to the past or the future (e.g. What ‘good’ behaviour preserves future economic growth and who defines this?). The episteme describes the knowledge of time, what we know about the past and the future (e.g. What does the pitch predict and how does this affect the present?). The technique of time means the measurement and organisation of time (e.g. When will we run out of money and what does this tell us?).

Trustworthiness (objective 3) in the context of future uncertainty relates to discursive definitions and enactments of personhood. Engagements with the future and time do not simply ‘exist’ in individual bodies but are aspects of social negotiation and influence. In this context, I first introduce practice-focused socio-anthropological concepts such as ‘role’ (Mauss 1985), ‘background alignment’ (Alexander et al. 2006), and ‘working consensus’ (Goffman 1956: 4). Depending on one’s social position and the particular context, the way people engage with the future changes.

‘Role’ (Mauss 1985) describes how a specific function or position in society should be enacted and thus obscures ‘person’, the assumed (arguably unknowable) real, natural self. Depending on one’s role, people’s claim to defining the future differs. Founders, for example, might be those who should narrate the future while, on the other hand, employees could be expected to engage in ‘interpretative labour’ (Graeber 2015) in order to understand and execute such dreams.

The notion of ‘background alignment’ (Alexander et al. 2006), which posits that successful role performance is the result of an actor’s perceived alignment with a

representative background, appears relevant. Through such alignment people do not seem to be ‘acting’ but rather appear ‘authentic’; their power takes on seductive rather than coercive dimensions. This background becomes invoked through framing, and people might accordingly cite dangers they can protect others from, the care they have for those who follow them, their knowledge of the solution to pressing problems, or how they are the ‘right person’ for the job. Whether alignment is actually achieved is dependent on individual perception. In the context of the future and promises this is also likely something that becomes ‘revealed’ with delay. As events unfold, what first seemed believable appears in doubt at a later point in time.

From the observer’s point of view, whether alignment is achieved and how people enact their roles also depends on working consensus (Goffman 1956: 4), context-dependent behavioural norms. What emerges during long-term participant observation in particular is the contrast between what Goffman (1956) calls ‘frontstage’ (public settings, under the observation of others) and ‘backstage’ performance (more intimate and private settings). People might, for example, appear to achieve alignment in frontstage settings as everyone complies with their demands, while in background settings contrasting critical attitudes dominate. Comparable distinctions between context-dependent formal and informal behaviour are common in Japan and known as *tatemaie* and *honne* (Naito & Gielen 1992, Watanabe 2016). Distinguishing between the two notions (*kejime*) is seen positively as an aspect of adult behaviour.

Such notions — the manner in which the individual enacts certain roles to appear ‘proper’ within society — also imply power in the sense of collective, but also intersubjective, influence. While I have previously outlined the existential aspect of questions surrounding the future, it is in this context that questions regarding why certain actions and behaviours become discursively framed as ‘normal’ appear relevant. As

Foucault (1971, 1977) argues and Wright (1994) proposes in the context of company culture, the question is then not simply what the dominant discourse is, but rather how and why certain discourses are made and continuously enforced to pre-empt or trump others. Who can define the collective path forward, who can talk or dictate, who justifies such differences, and in what manner?

### The Contributions of this Thesis

This thesis is an ethnographic and interview-based exploration of Japanese start-ups and VCs located in Tokyo. As just described, the study is novel, as it combines insights from the study of Japanese organizations (hierarchy, internal regulations, appropriation of cultural concepts, etc.) and entrepreneurship studies (the role of trust, entrepreneurial characteristics, company culture, etc.) with a renewed focus on multi-sited interconnections and the anthropology of the future.

Theoretically, I strive toward a synthesis of theories of practice and performativity, economic anthropology as well as the anthropology of ethics, Japan, and the future in the context of start-ups. My aim is to outline how the perspectives of interlocutors reflect upon such theories. I further describe how conflicts resulting from differences in perspective influence the shaping of emergent, future-focused start-up organisations.

This thesis makes several new empirical contributions. Firstly, this is the first extensive ethnographic account of Tokyo-based start-ups. Currently, no monograph of Tokyo-based start-ups exists. Secondly, this is also one of the first ethnographic, cross-organisational start-up studies which traces relevant issues throughout the seed-stage funding process, the early-stage, and growth-stage of start-ups, as well as the broader start-

up ecosystem. I analyse how the socio-economic positions and the relationality of actors throughout different fieldsites inform how they imagine the future and enact their relationships with others. I describe how differences in perspective often lead to conflict and blame in times of economic hardship. I further provide an insight into the embeddedness of start-up and venture capital recruitment strategies, start-up salaries and equity, as well as the calculative methods and forecasting techniques VCs and start-up actors in Tokyo use.

The data of this thesis is mainly derived from first-hand fieldwork conducted during 2018–2019 as well as 39 semi-structured interviews conducted in early 2020. One issue central to this thesis is the tension between individual agency (accountability, intent, etc.) and an essentially uncontrollable world moving towards an uncertain future. While I provide no definite answer to this conundrum, I outline how actors perceive the manner in which discourse is regulated through embodied practices and organisational structures as key for successfully negotiating the tension.

## Chapter Overview

The chapters of this thesis can be separated into a non-ethnographic part (chapters 1, 2, 7) and an ethnographic part (chapters 3-6). Chapter 1 comments on literature relevant to objectives 1-4 and chapter 2 on methodology relevant to objective 4 in particular. Chapter 7 is the conclusion. The ethnographic part is devised in a synchronic manner. The different objectives are thus in many ways intertwined, however the various chapters contribute differently to each objective. Chapter 3 provides a general introduction to the ethnographic context and emic terms with a focus on the future and uncertainty from a socio-economic and multi-sited perspective (objectives 1 and 2). Chapter 4 focuses on the role of trustworthy

practices aiming to project a particular future (objective 1) for VC-founder relationships (objective 3). Chapter 5 focuses on trustworthy practice (objective 3) within an uncertain organisational early stage start-up environment (objective 2) and related fears of the future (objective 1). Chapter 6 extends this inquiry in an uncertain growth-stage start-up context (objective 2) with a particular focus on company-wide discourse, the role of economic structures, and rapid growth for the breakdown of trustworthy appearance (objective 3).

## First Chapter

The first chapter outlines the relevant literature and theory. I firstly position this thesis within ethnographic and trust-focused explorations of organisations. What I discuss foremost are ethnographies of Japanese organisations and start-ups outside of the Japanese context, as well as the literature on trust in start-ups in particular. I further outline theoretically relevant anthropological literature. These are works of economic anthropology focused on risk-taking and economic uncertainty, as well as research that is relevant to the anthropology of the future.

## Second Chapter

I here briefly outline my fieldsites, positionality, and how I use the concept of frontstage and backstage (Goffman 1956, Sinclair 1997) in my work. I comment in particular on how I conducted semi-structured interviews, multi-sited fieldwork (Marcus 1995) and para-ethnography (Holmes and Marcus 2005, 2006). I explain here how one of the greatest challenges of para-ethnographic fieldwork was maintaining the objectivity necessary to 'see' all perspectives due to the heightened divides in my fieldsites and the eloquence of my

interlocutors. I further outline methodological concerns relevant to the future (Ssorin-Chaikov 2017, Dalsgaard and Nielsen 2015) and the question of how ‘sometime’ and ‘somewhere’ interrelate.

### Third Chapter

I explore the start-up-related policies and the particular socio-historic context that inform people’s engagement with the near future in the *mura*. I begin the chapter with a brief discussion of how changing the near future (Guyer 2007) in the *mura* appears intertwined with carnivalesque (Bakhtin 1984) attitudes and malleable structure. I then outline how people describe the *hanayaka mura* as an alternative to past lost decades, the seemingly endlessly expanding history of post-bubble low economic growth and uncertainty. The *mura* itself instead appears to lack a ‘localised’ common past and the start-up ecosystem in Japan seems instead characterised by ‘booms’ (Sakamoto 1983), instances where many start-ups become established following structural reforms. The current venture boom, the *mura*, which for some is informed by the ambition of transforming the boom into a stable ecosystem — ‘start-up 4.0’ — is particularly intertwined with substantial investment increases, neoliberal ‘market making’, and increased interest by large corporates. I introduce the *hanayaka* values which people invoke to describe why they work in the *mura* (*supīdo*, *seichō*, *ōnashippu*, *shakai kadai kaiketsu*). Such ideals of malleable structure also became criticised on the backstage, as the lack of established structures could mean chaotic and trust-dependent interactions rather than due diligence and stability.

## Fourth Chapter

I explore the function of pitching and pitches in seed stage fundraising processes. Seed stage fundraising is often the earliest stage of start-up formation, which in many ways also functions as a selection process that decides whether ‘young adults’ become ‘founders’. I begin by outlining how pitches appear as a form of ‘fictional expectations’ (Beckert 2016) which, despite their fictionality (and potential faults), have real consequences for present action. Founders and founders-to-be appear as truth tellers who lay a path into the future. The evaluation of whether such truths and truth tellers are ‘trustworthy’ is initially the job of investors.

I comment on how the relationship between founders and investors is one that appears to be characterised by the inherent tension between reasoning along the lines of possibility and probability (Appadurai 2013), which relates to structural differences in capital (social, financial). I then outline how the backstage of start-up events organised by New Venture, a seed stage VCF, appears to reveal a probabilistic commodification of *hanayaka*. What is fun and entertaining is also the most popular, attracts the greatest audience and thus maximises the investment opportunities of VCs. Such strategic efforts are ‘good’, as the purpose of entrepreneurship itself is ‘good’ and related to *shakai kadai kaiketsu* or social problem solving. On the other hand, the focus on such ‘festive’ aspects can also become instrumentalised to promote anything but a ‘serious’ and concrete thematic focus which *shakai kadai kaiketsu* demands.

The last part of this chapter explores how actors switch between probabilistic and possibility-focused attitudes during the pitch analysis process and the embodied ideals people invoke: *kiai* (fighting spirit), *gattsu* (grit, spirit), *genki* (vigor, vitality). In the investment process of New Venture, the value of possibility and embodied performance

appears stressed, while purely probability-related methods have their limits due to the uncertainty and unpredictability of the seed stage. The *hanayaka* attitudes of the *mura* here also appear related to uncertainty and stochastic unpredictability, which make what is embodied and affective seem more ‘real’ than other forms of more regulated and structured ‘reality’ which are not (yet) ‘there’.

## Fifth Chapter

This chapter and the sixth chapter explore the insides of *mura* start-ups: how young adult founders, employees, investors, and customers involve themselves in the translation of pitch narratives, particular versions of the near future that emerge in a *hanayaka* anti-bureaucratic state, into a more bureaucratic ‘reality’. I explore how start-up talk (news, gossip, social media posts) can conjure ‘threatening’ spectres (Zeitlyn 2020) which through their various ‘what ifs’ (de Abreu 2013) elicit doubt regarding a pitch’s version of the near future and its realizability.

Out of such talk two spectres emerge which are of relevance: the spectres of ‘growth failure’ and ‘team decay’. People differ in their orientation towards such spectres due to differences in their roles which I outline. It is ‘talk’ which, while haunting founders, also provides employees with various temptations that can motivate them to ‘jump ship’.

In Twig, an early stage start-up established in 2017, the spectre of growth failure appears in internal conflicts and drives the team’s disintegration. This relates to accounting mistakes which elicit questions of blame and responsibility. Whether people assign blame appears linked to how they approach the values of audit cultures, e.g. transparency. The founder, Higashino, is focused on conserving a favourable image of his *bijon* rather than ‘yielding’ to demands for transparency. Twig and Higashino’s life history are strongly

intertwined, which informs how he tries, in a parental manner, to control how people perceive both himself and Twig. I explore how he enacts his parental role through ‘humorous’ acts of teasing or nicknaming which appear as an embodied, but already hierarchic, form of ‘joking relations’ due to the one-sidedness of such exchanges.

A faction surrounding the COO (Chief Operating Officer), Kanda, instead argues for transparency and ‘proper’ disclosure of accounting mistakes. This focus on transparency and KPIs (key performance indicators) is characteristic of both the COO’s internal role and the language he uses in internal meetings. The introduction of KPIs and other bureaucratic norms become factors that seemingly restrict what was *hanayaka* possibility and indicate ever more concrete probabilities of failure. This results in a focus on efficiency and the ensuing reduction of ‘inefficient’ communal events which, in addition to existent internal divides, negatively impacts the start-up’s *hanayaka* ‘student circle’ atmosphere. Following the resignation of the COO and CTO (Chief Technology Officer), as well as four employees, people stress the importance of egalitarian exchange, of ‘coming together’ (*yorisou*) through discussion and egalitarian exchanges.

## Sixth Chapter

In this chapter, I explore how the growth stage start-up Branch deals with the spectre of team decay. I outline how the start-up’s recent past is characterised by rapid growth. This means constant employee-count growth, employee turnover, increased hierarchical structures, and large ‘anonymous’ office spaces. People recount such growth as leading to increased ‘emotional distance’. This appears partly as what informs the founder’s dedication promotion efforts: an ideological system surrounding *kakugo* (dedication, resolution) describes the positive aspects that people can obtain by dedicating themselves to the start-

up and its *bijon*. The basis of such claims appears to come from the Japanese ideal of strong social ties at the workplace but also from social science theories. I explore how the founder and other management members promote *kakugo* in events and through the start-up's digital workspace. Employees in such frontstage contexts often figure as compliant 'animators' (Goffman 1981) of the founder's message, although they also appropriate *kakugo* in their own way without mentioning dedication to the company.

In the backstage, critical attitudes towards the concept are dominant. Both managers and employees perceive the efforts invested in *kakugo* as excessive and hierarchically 'imposed'. For some the ethics of correct individual practice and good outcomes that *kakugo* promotes extend into the religious.

In contrast to the discursive claims of *kakugo* are critical employee reflections which focus on the lack of socio-economic structures encouraging dedication. They stress the importance of *ōnashippu* opportunities, the ability to engage and direct interesting, experimental projects, which people lose once economic growth falters. Without such opportunities, there is not much that keeps employees in the start-up as their salaries are comparatively low and stagnant. Equity options, which they obtain upon joining a start-up, are for them no more than probabilistic bets rather than forms of 'real' ownership.

Concentrated share ownership in Branch appears intertwined with who can define the future and who can't. As in Twig's case, this is largely a claim the founder, and to a lesser extent the executive team, can exert. This leads to various 'communicative' breakdowns and the founder's eventual resignation following missed KPI targets.

## Seventh Chapter

I conclude by asking why the *mura's hanayaka* anti-bureaucratic attitude did not result in more egalitarian models of communication and exchange, but instead tilted towards parental or monarchic states. I analyse this with reference to the Japanese context in particular and the start-up more generally. I argue that within the Japanese context past ideals of the *ba* and the company-as-family (e.g. Vogel 1979, Rohlen 1974) appear to continue to inform the parental role models enacted by founders. This is also reflected in founder selection processes that value long-term commitment and how Japanese founders tendentially value long-term commitment more strongly than in other countries with more project-oriented approaches (Whittaker et al 2009).

Despite such strong emphasis on these cultural concepts, the work conditions of start-ups fail to provide matching economic structures to keep employees committed. I argue that while Japan's post-war economic rise was informed by the adaption of organisational structures in a localised way (lifelong employment, seniority wage), such structural localisation appears absent in the *mura*, leading to a gap between discursive demands and economic realities which will likely have to become negotiated in the future.

In the context of 'the high growth start-up' more generally, I propose that ownership structures that emphasise the founder's claim to formulating the future, but do not in some form also elevate the claims of employees, are part of more general problems with the organisational model. Such problems appear partly indicative of human efforts aiming to 'ban' uncertainty by recourse to one-sided assignment of blame, success, and accountability. I cite the examples of the scandals surrounding the American high growth start-ups Theranos and WeWork, which are often portrayed in reference to their founder's 'narcissistic'

psychological state, and argue that such analysis fails to account for the structural arrangements that made the enactment of such roles possible in the first place.

I conclude by outlining future directions of research related to malleable structure and the anthropology of the future. The *mura* appears to show how systemic structures and ‘expectations’ can define a ‘tempo’ of *supīdo* and particular role norms appropriate for such ‘tempo’. Some of the fundamental conflicts in start-ups appear further related to how actors are split between interlinked temporal views: one that foregrounds capitalistic measurement and projection and another which is an agency-focused view of ‘deliverance’, that all efforts will be rewarded at some point in the future independent of the fixed dates of measurement.

## Chapter 1: Relations to Literature and Theory

This thesis firstly contributes to literature that focuses on organisations not as a functional ‘nexus of contracts’ (Jensen and Meckling 1976) but also as social communities (objective 2 and objective 3). I follow here in particular what has been called the ‘anthropology of organisations’ (Gellner & Hirsch 2020, Wright 1994) or ‘ethnographic research in modern business organisations’ (Urban and Koh 2013). Within this body of literature, researchers have conducted extensive explorations in Japanese corporations and, to a lesser extent, in start-ups internationally, but (as of now) none in Japanese start-ups. In the second section I outline related, non-ethnographic explorations of the concept of ‘trust’ (Welter 2012) in entrepreneurship studies and show how anthropology can contribute to such research (objective 3).

The third section relates to methodological and theoretical interest in multi-sited ethnography (Marcus 1995) (objective 4) and the future (objective 1). I will outline representative works of economic anthropology, which is at times conducted in organisational contexts but focuses on issues that extend into the general socio-economic context. I will further discuss representative works of the anthropology of the future, which is still rarely explored in organisational contexts and, with few exceptions (e.g. Miyazaki and Swedberg 2017), absent in the context of Japan. I further explore related theoretical concerns and discussions outside of this literature review in direct conjunction with the ethnographic material (see in particular the introductions to chapters 3, 4, and 5).

## 1.1 Organisational Ethnographies on Start-ups and Japanese Organisations

I will first provide a brief history of the anthropology of organisations and an overview of ethnographic literature that engages with Japanese businesses and start-ups. I will then summarise writing that focuses on Japanese corporates and the role of cultural nationalism (*nihonjinron*). As anthropological or ethnographic work on Japanese start-ups is lacking, I continue with an overview of ethnographies engaging with start-ups not located in Japan or a Japanese context, new founder-led religious movements in Japan, and non-ethnographic literature on start-ups in Japan.

### The History of the Field and Japanese Corporates

The contributions of anthropologists to what is also known as the field of ‘organisational studies’ appear sporadic from a historical perspective. The earliest is often mythically related to multidisciplinary studies of the Western Electric Hawthorne Plant between 1927 and 1932 (Wright 1994). As part of these studies, Lloyd Warner, a student of Radcliffe-Brown, conducted anthropological inquiries focused on social groups as systematic wholes.

After a brief hiatus, further research was conducted during the 1950s and 1960s. Researchers based at the University of Chicago devised their studies mainly using observation-based methodologies and assumed the perspectives of managers (see Wright 1994 for an extended history; Gardner 1977, Holzberg and Giovannini 1981, Baba 1986 for reviews).

Until the 1960s, the questions asked in ethnographic studies of organisations and the field of ‘organisational studies’ were not too different. For Czarniawska-Joerges (1992), a

split between anthropology and organizational studies occurred during this decade following Waldo's (1961) literature review. Waldo (1961) argues that organisations should be seen as objective existences that can be analysed in a value-free, scientific manner. Organizational studies following such voices shifted towards an increasingly positivist focus. Anthropology, on the other hand, became more and more concerned with the reflective nature of the discipline and explored the consequences of the researcher's involvement in the creation of research.

From the 1990s onwards, these differences appear to be partly lessened due to increased interest in ethnography as a method across disciplines and also in organizational studies (Bate 1997). The resulting inclusion of different ethnographic 'on-the-ground' views can be understood as a cross-disciplinary interest in greater inclusivity.

Within the field of ethnographic explorations of organisations in particular, the resulting body of literature might be differentiated in two ways (Urban and Koh 2013). One type of research focuses on what happens within organisations (their myths, symbols, communal events, etc.), the other primarily on the effects of organisations on others (children, women, workers, ethnic populations, etc.).

The vast majority of literature within the Japanese context has focused on the inside of organisations and some of the most relevant early research (e.g. Dore 1973, Rohlen 1974, Vogel 1979) was conducted before the 1990s, independent of the decreased anthropological interest in organisations overall (Czarniawska-Joerges 1992, Bate 1997).

Japanese companies are 'Japanese', as one deals with a discursive construction of a version of 'Japan'. Researchers continue to engage unwittingly in the co-creation of Japan's 'uniqueness' and difference from the West. If what is known as orientalism (Said 1980) can be criticised as Othering the East to serve as what the West is not (sensual, exotic, irrational), then the *Nihonjinron* is arguably a cooperation of Western and Japanese scholars, politicians,

artists, etc. allowing both sides to indirectly and directly assert their difference and thus uniqueness (Hammond 1997, Wilkinson 1983, Befu 2001, Kuwayama 2004, Goodman 2005).

In the study of Japan, culture has often been used as the primary explanation for difference. Behaviour witnessed in private life, in family life, in the everyday is applied to a business environment and vice versa. This can result in an oftentimes harmonious concept of culture. This harmonic view can then become linked to the country's economic development in grand cultural narratives (e.g. Ouchi 1981, Vogel 1979, Christopher 1983).

In the late 80s and early 90s, critique surrounding the *Nihonjinron* became prominent (e.g. Mouer and Sugimoto 1986, Yoshino 1992, Dale 1995). Ideology and practice are not the same and what interviewees tell researchers is not an always applicable 'objective' truth. Differentiated accounts of Japanese corporates have, though, been present before this critique (e.g. Dore 1973, Rohlen 1974).

Such critical voices seem to accompany an increased focus on individual groups and business environments outside of large corporates. Mid-sized and smaller companies come into focus (Miwa 1996, Whittaker 1997). Brian Moeran explores craftsmen (1998) and advertising (2007). Scholarship on women (Lebra 1985, Iwao 1994, Smith 1987) is enriched by a focus on female workers (Kondo 1990, Saso 1990, Brinton 1993, Ogasawara 1998).

Companies themselves no longer appear as harmonious wholes. Kondo (1990) demonstrates how companies can be conceptualised as spaces in which different identities and worldviews are negotiated. Graham's writing (2003, 2005) takes these critical approaches into account and presents a differentiated diachronic study of a Japanese insurance company. She particularly focuses on the impact of the economic recession on employees' lives. The end of the bubble economy and economic recession threaten the

survival of the company in Graham's studies (ibid.). The harmonious whole presented in earlier research vanishes, and individual fates present themselves to the researcher.

The 1990s also saw the establishment of *Keiei Jinruigaku* or Anthropology of Management in Japan. This field is largely based on a group of scholars surrounding Nakamaki Hirochika (Nakamaki et al. 2016). *Keiei Jinruigaku* explores organisation through a 'classic' anthropological lens with a focus on folklore and rites.

Companies in contemporary Japan are seen as places where the new commoners (*jōmin*) live, as the rural and farming population in Japan is declining. Companies figure as urban centres where folklorist themes are newly adapted (McCreery and Yamaki 2014, Nakamaki and Hioki 1997).

This approach aims to document myths and practices as elements fulfilling a function in society. In his history of the enterprise, Nakamaki et al. (2016) trace the existence of the company throughout human history. The company is a changing but continuously present 'instrument of civilisation' (Nakamaki et al. 2016: 3). Nakamaki (1999) also analyses company funerals of executives. Such funerals figure as ceremonies signalling the debut of a successor. For Nakamaki (1999) these funerals are rites in which companies demonstrate positive qualities such as teamwork, manners and the efficient management of time and space.

Nakamaki and Hioki (2012) further document and analyse the nature of company founding, hero, and brand myths. While founding myths are related to individuals and the reasons surrounding the establishment of companies, hero myths describe individuals who are remembered due to their exceptional contributions (e.g. ground-breaking research). The brand myth extends outwards and surrounds the company's products. They serve as indicators of quality, making external quality checks unnecessary and price negotiations easier.

McCreery and Yamaki (2014) describe the ‘Japanese’ view of business as ‘business playing a positive role in society’. This is characterised by an absence of theories of class struggle or academic aversions to business that stem from ‘aristocratic attitudes’ (2014: ch. 13) towards money.<sup>2</sup> Critique focusing on individualistic market approaches is a critique of an adaption of Anglo-American approaches driven by national policies rather than a critique of Japanese business specifically, according to McCreery and Yamaki (2014).

Although it is not stated explicitly, locating class struggle or individualism outside of Japan appears partly as a dismissal of the critique surrounding *Nihonjinron* (Yoshino 1992, Befu 2001, Dale 1995, Mouer and Sugimoto 1986) and its notion of Japan as an egalitarian society. While ‘uncritical’ from this perspective, such scholarly traditions should not be easily discarded, as they might well be characteristic of the perspectives of interlocutors.

They appear in this sense as indications of the conflicting positions that inform the analysis of organisations, as well as of actors within them, as Kunda (1995) points out in reference to company culture. For Kunda (1995) academic views regarding company culture and employee engagement tend to be positioned along a spectrum that at its extremes endorses, on the one side, utopian optimism, while the other side mainly criticises organisations. While one side (as *Keiei Jinruigaku*) portrays organisations as fundamentally functional entities, the other sees in attempts to formulate corporate culture ‘a disguise for malevolent managerial intentions’ (1995: 228) that obscure structural inequalities. Scholarship outside of Japan has in recent years engaged in critical analysis that appears closer to the latter view of organisations, and I also share this approach regarding company culture. I am, though, sceptical towards critiques that paint organisations as fundamentally

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<sup>2</sup> Contrary to such assertions, there is a prominent school of Japanese Marxist scholars (e.g. Uno Kōzō, Itō Makoto and Thomas T. Sekine).

dysfunctional or ‘hellish’ places. Rather, I explore for whom they appear to function more than for others, and why that might be the case.

One recent critical engagement of relevance is Rebick’s (2005) several-decades long analysis of the Japanese employment system, which demonstrates how societal changes, a shrinking working population, and the economic recession following the bubble economy go hand in hand with changing employment schemes. Compensation is increasingly merit-based rather than seniority-based, and career women encounter a higher acceptance than previously. The emphasis on retaining workers is still high, and labour mobility remains low in comparison to other countries. Contracts become more individualized, while part-time contracts are on the increase. Unemployment is a problem for youth lacking tertiary education. Many of those entering the workforce today will be stuck in part-time jobs that do not provide continuous education. Rebick (2005: 173) justifiably projects that this will lead to increased inequality (cf. Allison 2013).

Fu’s (2011) participant-observation based ethnography of dispatched workers (*haken shain*) provides ethnographic substance to such structural and statistical analyses. The *haken* are overwhelmingly female workers hierarchically situated between permanent employees and part-time workers, usually ‘distributed’ by agencies to other corporates. Her ethnography (Fu 2011) tells of diverse motivations and differences between *haken* who often appear as statistical numbers. Some work as *haken* to obtain the prestige associated with a certain company name, while others are just looking for potential marriage partners. While some *haken* agencies have dubious reputations, others employ *haken* fully and also pay them in periods of inactivity, e.g. between separate company stints.

Difficulty in finding permanent employment is further seen as a reason for a crisis of male identity (Cook 2013, Genda 2006). *Furīta*, youth often in their 20s or 30s, finance their lives through part-time jobs. While some chose this lifestyle to fulfil their aspirations

of becoming musicians, artists, entrepreneurs, etc., others are unable to find permanent employment due to insufficient education or experience in permanent jobs. Marital pressures, such as having to fulfil the role of male breadwinner, force *furīta* to look for permanent employee positions and give up their alternative lifestyles.

Dasgupta (2013) similarly focuses on male gender identity by examining how becoming a salaryman is a way of assuming male adulthood. By referring to Gramsci's concept of hegemony, Dasgupta explains the notion of the salaryman as a form of 'hegemonic masculinity'. The salaryman is gendered and appears as a role model incorporating notions of private life such as heterosexuality, fatherhood, and marriage. The 'salaryman' (*sararīman*) dominates the discourse surrounding male identity and 'hinders' the establishment of diverse concepts of masculinity.

For my thesis, this literature is particularly relevant in how it presents two pictures of Japanese organisations: an internal functional ideal of the company as a harmonic family and more critical reflections that stress the socio-economic structures enabling such ideals (Taira 1970, Dore 1973), the various ways in which the ideal only applies to some rather than others (Fu 2011, Dasgupta 2013) and how such ideals become disregarded during times of economic instability (Graham 2003, 2005). Within this thesis, the conflicts resulting from the gap between reality and harmonic ideals as well as the cultural virtues they enshrine are prominent. People's preferences, as well as the socio-economic conditions of organisations, can fail to align with such discursive ideals.

## From Corporates to Start-ups

While the ethnographic literature on Japanese corporates engages critically with scholarship regarding societal, political, historical, and economic issues, the ethnographic literature on

start-ups lacks a coherent history. Instead, ethnographic literature on start-ups indicates the multitude of insights (the role of technology, government policy, the future, belonging, networking, etc.) that fieldwork in start-ups can produce. Ethnographic exploration within the context of Japanese start-ups is, on the other hand, still lacking. Despite such a lack, there is fieldwork-based literature on new Japanese religious movements as well as literature that analyses Japanese start-ups from a non-ethnographic perspective.

### Ethnographies on Start-ups Outside of Japan

Lengen (2017) positions his inquiry into China's Digital Economy inside an analysis of the socioeconomic climate he encountered during his fieldwork. Lengen (2017) engaged in 13 months of fieldwork in a government-supported start-up as well as an online media-dependent comedy show production for his ethnography. The national campaign for a 'Chinese Dream', which is central to China's economic policy, aims to foster creativity and innovation through government investments. Ordinary citizens are expected to fulfil and exceed these expectations, blurring the boundaries between personal dreams and utopian public campaigns. Contrasting such policies with his experiences, Lengen explores the role the internet assumes in sustaining hopes and in mediating anxieties of getting left behind amidst all the technological progress in China.

Ethnographic inquiries into start-ups have been prominent in the Silicon Valley Cultures Project at San Jose State University. This longitudinal study project of Silicon Valley began in 1991. It includes Jan English-Lueck, Charles Darrah, and James Freeman, as well as numerous students. English-Lueck's (2002) book describes Silicon Valley firms as technologically saturated spaces that are characterised by fluid co-worker networks. Their sense of loyalty towards institutions or companies is weak. Technology is used to order and

prioritise professional contacts, family, or friends. Silicon Valley capitalism has successfully incorporated 'identity politics', making it subject to capitalist rationalisation. All 'culture' in the form of 'ethnicity', 'sexuality', 'work', etc. is drawn upon to connect and disconnect with people.

Theoretically positioned inside the field of Business Administration, Kim Suntae's research (2015) focuses on early-stage entrepreneurial processes. The entrepreneurial process in Kim's analysis is a process of gradual realisation. What appears as a desired future needs to be translated into reality, and is mended and appropriated through the input of a variety of actors. His work focuses on the repeated social interaction between incubators and entrepreneurs and the ensuing construction and reconstruction of ideas.

The building of local communities through the means of technology is of interest in Cervantes and Nardi's (2012) inquiry into Mexican entrepreneurs. By contrast to Israel, China, or Taiwan, Mexico's entrepreneurs lack skilled returnees who establish local businesses. In their quest to build innovation at home they rely on social media as well as travel. Knowledge is then exchanged at start-up weekends, resulting in an environment of sharing. Trust results from the common goal of establishing a start-up.

Pfeilstetter (2017) explores start-ups in Manchester, UK and analyses community using Mary Douglas' (2010) concept of grid-group cultural theory. These communities encourage competition while simultaneously offering feelings of local belonging. The narratives informing them are constructed by entrepreneurs, corporates, or government institutions. Pfeilstetter describes trust (2017: 11) as key to obtaining funding, which sometimes appears to work through sympathy alone. Trust similarly bears risks. Oversharing threatens uniqueness and competitiveness.

Thematically, there is overlap in my explorations with what these authors have explored. Like them, I describe the role of technology (English-Lueck 2002), social

connecting (Pfeilstetter 2017, Cervantes and Nardi 2012), and the future (Kim 2015). In many ways, what's relevant in my exploration is how 'the start-up' is one of many globally circulating entities which become imbued with meaning in their local context (Appadurai 1986). In my thesis I show how the manner of localising can reflect upon contemporary 'Japan', while the 'local' solutions or problems of actors also reveal something about the 'start-up' as an idea (a structure, a vehicle, etc.) more broadly. I am further focused on the cross-organisational interplay between socio-economic context (policy, employee compensation, organisational hierarchy, etc.) and embodied and performative acts of convincing across various groups of actors (employees, founders, VCs, managers), which the ethnographic start-up literature outlined here has not explored extensively.

#### 'Entrepreneurial' Religious Movements in Japan

In addition to such start-up-focused ethnographies outside the Japanese context, fieldwork-based explorations of 'new' or new 'new' religious movements (NRM) in Japan are relevant. These organisations, which are, to a certain extent, start-ups, revolve around founders or current members who aim to attract and 'recruit' others. I focus here in particular on ethnographies that describe religious movements whose charismatic founders were still alive at the time of study.

The literature on such movements focuses on their syncretism, practice-oriented nature, and focus on this-worldly (rather than post-mortem) benefits. Hardacre's (1986) description of the Shintō-based Kurozumikyō movement founded in 1814 provides a historic overview of Japanese religious culture in the nineteenth century, paying particular attention to the doctrines and dogmas that characterised the perspectives of people. These religions are expressions of syncretism and often use terminology from established doctrines

(Buddhism, Shintoism, Confucianism). Hardacre (ibid.) traces various principles across movements, that seem to indicate a common core that revolves around the linking of self-cultivation and practice to harmony and balance between the individual and the world.

Others echo and extend such observations while they offer additional differentiated insights that refine the notion of ‘general’ applicability (Swanson and Chilson 2006, Ellwood 2008, Prohl and Nelson 2012). Shimazono’s work (1992a, 1992b, 1995, 2004) on NRMs traces their embeddedness, the socio-economic changes, people, and history that seem to influence their practices and explain their role in contemporary Japan. Reader and Tanabe (1998) describe the importance of ‘this-worldly’ benefits of religious practice which inform both new religions and also Shinto or Buddhist practice in Japan. The Japanese are often ‘practically religious’, or *genze riyaku*. Kawano (2005) similarly focuses on the role of religious practice in people’s lives in her fieldwork-based study of Shintoism and Buddhism in Kamakura. The author describes embodied practices, religious festivals, and their role for lay practitioners.

The following are relevant fieldwork-based studies of new religious movements. In Hardacre’s participant-observation based study (1984) of Reiyūkai, a Buddhist movement, she describes the processual nature of such communities, in which existence was often explained in reference to crisis. In her work (ibid.), she points out how focusing on crisis and ignoring ongoing processes means one does ‘not account for [the movement’s] persistence once the time of crisis has passed’ (1984: 10). Reiyūkai promotes faith in spirits and the Lotus Sutra while embracing notions of conservative familialism. Hardacre portrays in particular how such doctrines and practices affect women members, who instead of empowerment subscribe to a ‘sexist’ and repressive value system.

Primary source-based work has also been written in the wake of the 1995 Sarin gas attack on the Tokyo subway by the Aum Shinrikyō sect. Reader’s accounts (1996, 2000) are

insightful within this context. Reader's (2000) book is a reflection on, and a more differentiated analysis of, his earlier (1996) work on the same matter. His analysis (Reader 2000) is based on extended interviews and critical engagement with popular media perspectives that focused on the 'evil' nature of the 'cult' and its members. The book (ibid.) revolves around the processes involved in the normalisation of violence against the group's own members as well as towards others. Here he (ibid.) pays particular attention to the internal hierarchies that characterised Aum, the practices and doctrines underlying it, the role of its founder, and the extent of limitation or freedom his followers had regarding their actions. He (ibid.) positions Aum as one religious group among others with similar characteristics (charismatic founders, inward focused worldview, practice orientation) and potential for religiosity-driven violence. Aum's founder has drawn from various other 'new' and old religions to establish the movement's doctrines and justify violence.

Prohl's (2006) fieldwork-based research on *worldmate* is similarly a detailed study of a recently founded religious organisation. Instead of the term new 'new' religions, the author proposes 'modern religious organisations', as the 'new' religions are usually syncretic and based on existing and 'old' religious doctrines and teachings. She analyses the somewhat diffuse teachings of the religion's founder (born in 1951) and explores the particularities of a local *worldmate* group. Her work focuses on the perceptions and motivations of individual members. Assuming a multi-perspective view, she elaborates on how members perceive small and large-scale rituals as well as techniques that should grant happiness, relief, or solve problems.

The most recent work of interest within the frame of this review is Baffelli and Reader's (2018) work on Agonshū, another relatively new religious movement in Japan. The authors (ibid.), like Prohl (2006), argue against the terms new religions or new 'new' religions due to the syncretism inherent in these movements. Continuing from Reader's

earlier work on the same organisation (1991), Baffelli and Reader (2018) explore the changes the movement has experienced throughout 30 years. Like other religions in Japan, the movement traces problems related to health, employment, or wealth to the ‘evil’ spirits of the deceased.

The Aum incident and the death of Agonshū’s charismatic founder in 2016 have posed significant challenges to the movement. After the Aum incident, the movement lost many of its young followers and instead started to incorporate Shinto practices. Its members began to visit the Yasukuni Shrine and the group’s leadership allied themselves with the far-right politician Ishihara Shintarō. Baffelli and Reader (2018) analyse the importance of teachings and rituals for the identity of the movement’s followers and their links to its charismatic leader. Following his death, the movement began to shift its practices towards the veneration of the Agonshū founder, displacing other deities they had previously worshipped.

I find the approaches taken by the authors outlined above helpful as, similarly to new religious organisations, start-ups can be oriented around founders and their business or company culture propositions. Like others (Prohl 2006, Hardacre 1984), this thesis explores the construction of ideological systems within the frame of organisational culture and their potentially syncretic sources. Like Reader (1996, 2000), I also trace how organisational or social structures might encourage particular forms of hierarchical power where people are not simply ‘under control’ or ‘subjugated’ but complicit and involved in their making. Few of these authors focus on socio-economic matters and structures in particular, which, by contrast, assume importance in the start-up context and my thesis.

## Prior Explorations of Japanese Start-ups

In addition to such fieldwork-based work in the context of ‘entrepreneurial’ religious movements, non-anthropological work on Japanese start-ups is also of relevance. I will mention this field only briefly here, as I comment on it in more depth in Chapter Three. Start-ups in Japan are often explicitly or implicitly compared to Silicon Valley. In relevant scholarship, low labour mobility and the lack of funding, immigration, information exchange between universities and business, and open innovation are competitive disadvantages (Storz 2008, Cole 2006, Kneller 2011).

The most extensive contribution to date is Whittaker et al.’s (2009) survey- and interview-based work, which is critical of such direct comparisons. The authors argue for an embedded perspective that accounts for economic structures and differences in the motivation of founders. Such differences might make policies aiming for a Silicon Valley-like model a mismatch to what entrepreneurs in Japan are looking for.

In Whittaker et al.’s (2009) research, which focuses on entrepreneurs and entrepreneurial behaviour throughout a variety of industries, the researchers are not looking for a particular type of ideal or radical entrepreneur. Among the Japanese entrepreneurs that were part of the study, 6.8% were seeking venture capital and 4.1% got it. The Silicon Valley-based venture capital model is known to enforce profitability, milestones, business plans, and high growth.

According to them (*ibid.*), Japanese entrepreneurs decided to found their own companies because of a need for independence, work-life balance, and an interest in technology. Their motivation comes not from the promise of unicorn growth. The idea of ‘lifework’ (Whittaker et al. 2009: 78) exemplifies Japanese founders in their study. Japanese entrepreneurs’ commitment is long-term, which differentiates them from UK entrepreneurs

who tend to have a more project-based approach that includes exit. The lifework approach also relates to a style of leadership in which the entrepreneur takes control of their project.

Rather than applying a comparative framework, this thesis largely follows Whittaker et al.'s (2009) call for embedded perspectives. I also share the interest of other authors in the influence of policy, but conduct such analysis primarily with an ethnographic focus on the perspectives of interlocutors.

## 1.2 Ambiguous Trust

Trust and related concepts such as social capital have been the subject of extensive inquiry within entrepreneurship studies. Through the generation, preservation, and use of trust, particular business objectives become viable. Trust ensures early venture survival and success (e.g. Brüderl and Preisendörfer 1998, Davidsson and Honig 2003), its importance can be proven quantitatively (e.g. Jenssen and Greve 2002), and it is a key ingredient for network relations (Anderson et al. 2007, Jack et al. 2004, Kim and Aldrich 2005) which become particularly useful when establishing a new business (Anderson and Jack 2002, Johannisson 1988). Trust needs to be appropriately deployed at later stages to supplement predominantly calculative economic relationships (Jack et al. 2008, Smith and Lohrke 2008). Similar quantitative, ideal-model focused approaches have found rich application in research on recruitment in organisational psychology (Breugh 2003) or in cross-cultural research on retention and recruitment (Allen and Vardaman 2017).

As mentioned above, one issue of such research appears to be a lack of clarity regarding the term trust (Shapiro 1987) which, despite 'fixed' notions, is often defined differently by different people according to their respective frameworks. Trust has been

subject to inquiries in management science, economics, organisational theory, sociology, behavioural science, and philosophy (Welter 2012). ‘We know much better what trust *does* than what trust *is*’, as Castaldo et al. (2010: 658) remark. The biggest difference between such critiques and this thesis is that defining or proving something about trust in a universal manner is not what I am trying to achieve.

<b>Forms</b>	<b>Level</b>	<b>Object</b>	<b>Source</b>
Personal trust	Micro	Relationship, person	Emotions, intentions, goodwill, benevolence, characteristics of persons, experiences, knowledge, competencies
Collective trust	Meso	Community (e.g. kinship, ethnic group, profession) Organisation (e.g. network, firm, association) Industry	Characteristics of groups, information, reputation, recommendation, certification, professional standards
Institutional trust	Macro	Cultural rules (e.g. norms, codes of conduct, values) Formal regulations (e.g. laws, certification, licences) Business infrastructure (e.g. business courts, administration, financing organisations) Government	

Figure 1. Three types of trust. (Welter, 2012: 196)

To explore this further, we can refer briefly to Figure 1. Personal trust describes trust between individuals as an element including emotional attachment: friendship, for example. Collective trust is characterised by group or organisational membership as well as ethnic or kinship ties. Institutional trust is trust that is attributed to, and nurtured by, cultural norms and public institutions such as the state and its judicative, executive, and legislative power.

My interest here is not classification. I do not primarily wish to document how founders operate by invoking personal trust or how start-ups acquire institutional trust due to their great revenue growth. I am rather exploring how people invoke discursive or

performative notions related to such trust categories to achieve particular goals and how the manner in which they invoke them is socially embedded and oftentimes ambiguous. Whether it is personal, institutional, or collective trust, someone has to ‘enact’ such notions — they do not simply ‘exist’.

For example, the same person might present their motivation and goals as linked to patriotic duty and government initiatives (institutional trust), stress how their start-up has grown rapidly (collective trust), and then begin to joke, smile, or wink to present themselves in an attractive manner (personal trust). People have in this sense a ‘repertoire’ of personal, collective, and institutional trust notions which they can invoke or perform to appear trustworthy. Within the frame of anthropological explorations, this ‘repertoire’ in particular ways reflects, for example, upon a person’s role (Mauss 1985) or working consensus (Goffman 1956) understanding.

In accordance with people’s ability to ‘perform’ trust to appear trustworthy, trust has also been described as an ambiguous notion masking moral responsibility (Jiménez 2002) and control (Harriss 2003), as leading to corruption (de Jong et. al 2010, Granovetter 1985) or creating closed market relationships (Cole 2006). This extends into the Japanese context where the *senpai-kōhai* (senior-junior) relationship is both portrayed as harmonious, (Vogel 1975) as well as abusive (Dasgupta 2013), inside the company hierarchy.

Vogel (1975) defines the *senpai-kōhai* relationship in ideal terms as one of ‘friends’ (1975: 197). He interprets interdependency and continuity as central to the intimacy he finds in the office, making it comparable to a family. A *senpai* and *kōhai* are like siblings. The *senpai*, the older sibling, fosters the *kōhai*, the younger sibling, through positive encouragement mixed with healthy criticism.

In more recent research, critical descriptions of the *senpai-kōhai* relationship have become more common. The difference in power between *kōhai* and *senpai* also leads to

bullying in the form of gossiping and drunken violence when one fails to adhere to certain role models, such as in the case of different sexual identities (Dasgupta 2013: 142). *Senpai-kōhai* relationships might further evolve into friendship, but they are not necessarily the same. In Ogasawara's account (1998) they are not comparable to family (Vogel 1975) but appear more distant: 'If you become very intimate with your *senpai*, you become friends. But if you don't, then she remains your *senpai*' (Ogasawara 1998: 50). Becoming friends seems to imply an intimacy that is different from the implied formality of a *senpai-kōhai* relationship.

What appears significant in the examples outlined above are the different perspectives that inform the ethnographer's analysis. Their accounts portray the ambiguity inherent in trust and the control or even violence underlying seemingly harmonious relationships. Such ambiguous descriptions appear related to the pressures inherent in having to maintain a trustworthy appearance by acting in the 'correct' way.

This ambiguity also extends into the context of the promise and reciprocity (Austin 1946, Arendt 1998) in particular (as outlined in the introduction), as well as the more strategic expectations people have towards others in business contexts. Reciprocity, wanting to preserve trust, and wanting to appear trustworthy entail an aspect of control that stems from the implicit negative consequences a loss of trust could bring. In this context the role of time and future uncertainty (further outlined in 1.3) is of importance as reciprocity presupposes a future event of some sort, which validates what people have promised. Here a different kind of ambiguity plays a role: When is a promise broken? Was what eventually happened actually what was promised?

In and beyond the Japanese context this has been explored by Sako (1992) in her work on supplier-purchaser relationships in the UK and Japan. People use trust on several levels that engender expectations and obligations as 'contractual', 'competence', and

‘goodwill’ trust (Sako 1992: 37–39). Contractual trust is trust that relies on notions of reciprocity in the form of promises either in written or oral form, the latter indicating a higher level of contractual trust. Competence trust is the belief that the other party has the necessary technical and managerial ability to carry out the order successfully. Failure to deliver on time, for example, can be either due to an unwillingness to fulfil promises (break of contractual trust) or an inability to produce due to the complexity or unusual nature of the order (break of competence trust). Depending on the buyer, different forms of trust violation elicit different reactions. Goodwill trust engenders the willingness to go beyond what is agreed on in contractual terms.

The ambiguity of trust, as shown in the literature just outlined, is then something I also explore in my work. Rather than the fixed and varied trust frameworks common in entrepreneurship studies, I focus on how people differently practice trust to appear trustworthy. I describe how people’s perspectives vary, how what appears trustworthy and affective for some might be more related to control for others. One prior example of this appears to be the varied reception of emic ideals such as *senpai-kōhai*. Related to this is an interest in the ambiguous social ‘force’, the binding power promises and expectations appear to exert, as well as the efforts people make (or have to make) to fulfil them. Trustworthiness is not a one-sided notion (e.g. an employee associating with a start-up or a start-up team only due to their trustworthy appearance). Rather, it is also, for example, preserving one’s own trustworthiness which drives people. Concepts of trustworthiness — appearing as a ‘good’ person who keeps their promises or as a ‘good’ employee who does a ‘proper’ job — can force people to associate and interact with others in particular ways which they would not necessarily want to under different conditions.

### 1.3 Economic Uncertainty and Time

In this part, I first summarise ethnographic literature that focuses on economic matters from an interdisciplinary perspective, an approach that is also of relevance for this thesis. Such literature provides good examples for the insights multi-sited ethnography (Marcus 1995, Salazar & Orobitg 2012), such as this thesis, can bring, particularly in the context of uncertainty and risk-taking. By going beyond the frame of one particular organisation, researchers explore how actors interrelate and reflect upon socioeconomic concepts. Despite relevant examples, literature focusing both on the 'inside' (hierarchy, office interaction, company culture, etc.) of organisations as well as the effects of organisations on others (customers, workers, children, indigenous communities) is still rare (Urban and Koh 2013).

The following section focuses on time and the future in particular. The role of the future for human experience has only recently become of interest in anthropology. I focus in particular on literature that explores which futures actors invoke in economic contexts as well as how and why they invoke them. Both bodies of literature outlined in this part are connected: economic uncertainty is inextricably linked to the future. The anthropology of the future, though, provides theoretic concepts beyond economic uncertainty and risk-taking alone.

#### Risk-Taking and Uncertainty

From a primarily theoretical perspective, Appadurai argues for an interdisciplinary 'science of calculative action' (2016: 35). For Appadurai, a focus on stochastic probabilities fails to account for uncertainty (Knight 1921), partly leading to the 2008 financial crisis. He

describes derivatives as linguistic constructions that figure as contracts in the present to affirm the future to come. A continuous ritual cycle unfolding in global financial markets leads to ‘effervescence’ (Durkheim 1995) making its participants unable to perceive uncertainty or a different future. Appadurai’s work draws particularly from Maurer (2005), Riles (2011), and Miyazaki (2013).

Riles’ (2011) extensive inquiry concerning the role of collateral is based on fieldwork extending over ten years mostly spent in Japan. Riles (2011) explores how collateral as a contract provides the foundation of trust for global finance. Collateral becomes necessary in a multinational, multicultural space in which a thick web of social relations is absent. It eliminates counterparty risk by guaranteeing the financial fidelity of the transaction. In this way, social norms become ‘superfluous’ (2011: 55). In a later article Riles (2013) details how the financial crisis of 2008 resulted in a loss of faith in regulatory measures as well as state-led planning efforts at the Bank of Japan. During her fieldwork, she notes how culture serves as an all-around explanation for financial market differences and failures, while the collection of massive amounts of data becomes a new requirement to counter uncertainty and build trust through compliance.

Jiménez (2002) analyses the collective construction of trust in contemporary capitalism. In his research, he looks at reporting practices, such as the disclosure of financial statements after a moment of financial crisis (Enron, WorldCom). Adhering to standardised practices of due diligence is paramount to ensuring continuous trust in companies. To understand risk, transparency is key. Transparency ensures that a company can be trusted. By drawing on Douglas (2015) and Gluckman (1972), Jiménez posits that the critique surrounding the lack of company transparency is conflated with an inability or unwillingness to assume moral responsibility for personal risk-taking choices. Knowing the risk and having the necessary

data ensures stochastically probable outcomes resulting in surety and trust. One can protect oneself from future harm as long as one has the data and minimizes risk.

Miyazaki (2013) explores credit traders in Tokyo and their perception of arbitrage. Arbitrage allows for profit that takes advantage of different pricing of the same product on different exchanges. The traders use arbitrage as a craft rather than engaging directly in the market, which appears unpredictable and mysterious. The distrust placed in their own abilities to predict price movements is paired with a strong belief in the market's inclination toward equilibrium and efficiency (2013: 55). One of Miyazaki's interview subjects, Tada, leaves the trading business, and engages in venture capital. Trust appears in Tada's account as a necessity to evaluate people. Rather than relying on his own agency, he explains his plan for a calculation of trustworthiness. For Miyazaki, Tada aims to replace his own agency with a mathematical model, in order 'to put an end to the problem of trust once and for all' (2013: 105).

Zaloom's (2006) multi-sited ethnography is situated between digital trading rooms in London and actual trading pits in Chicago. She shows the difference between the bodily pushing, shoving, and face to face-based interaction in the pit and the sterile environment of digital trading floors in which haptic skills and other means of information assume higher importance. These two different worlds of trading embody different values. Pits traditionally rely on family bonds, while electronic trading floors are dominated by theories.

This thesis shares with these approaches a focus on how relationality as well as affective and bodily experience become intertwined with 'rational' social science (economic theory, organisational theory, etc.) in contexts of uncertainty and risk-taking. The moments when researchers identify rifts or gaps between theory and what people do or say are here of particular interest and reminiscent of what Miyazaki and Riles (2005) define as 'failure as an endpoint'. These are the instances when actors disclose how they perceive a gap between

theory and practice. Rather than simply documenting the ‘failure of a particular theory’, I explore the ‘unexpected, creative, and sociotechnically determined ways’ (2005: 321) in which people then negotiate such shortcomings. The works summarised above, then, explore contexts of economic forecasting and uncertainty. They are in this sense future-oriented. I expand this approach by engaging with future-focused anthropological research outlined in the following section.

### Future-Making and Malleable Structure

Within anthropological research on time, the future has only been explored extensively in recent decades. Nancy Munn (1992) describes the future as a ‘displaced temporal topic’ (1992: 116) due to anthropology’s focus on myth and history. Similarly, Robbins (2007) proposes that anthropology’s interest was primarily in continuity of tradition and culture rather than the ruptures that characterize utopian futures or revolutionary pasts. Bryant and Knight (2019) affirm this sentiment and argue that the future has long been an anthropologist’s ‘dead-end’ (2019: 3), which relates for them to the focus of early anthropologists on tradition and custom, the dichotomy of traditional/modern, and the anthropologist’s self-imposed conserver or preserver role.

Among others, the works of Gell (1992) and Greenhouse (1996) appear to refocus attention on time and the future as a social construct. In recent years, a number of anthropological works have theoretically reframed and repositioned the topic of the future in the context of finance (Zaloom 2009), the War on Terror (de Abreu 2013) economics (Zeitlyn 2012), divination (Zeitlyn 2015), the virtual (Zeitlyn 2020), macroeconomics and evangelicalism (Guyer 2007) as well as postcolonialism (Pels 2015) and stress (Pels 2020). This mainly theoretical outburst is matched by ethnographic explorations which appear

broadly to fall into two categories: one that engages with interlocutors who research, work, or think about the future or futuristic matters (sometimes the anthropologist themselves), the other which traces the future(s) as a collectively constructed force that propels people forward, that drives conflicts and defines identities, the primary concern of this thesis.

The former category appears in Kirksey's (2015) book, which traces 'emergent ecologies' across the US and South America. The author, for example, explores 'which creatures are flourishing, and which are failing, at the intersection of divided forces, competing political projects, and diverse market economies?' (2015: 4), and asks in the same manner where we can find hope in the face of ecosystem destruction and change.

Similarly, engagements with outer space foreground what might be possible in the future. Messeri's (2016, 2017) work traces the place-making practices of planetary scientists in varied fieldsites including a Mars Desert Research Station and a NASA research centre. Transforming planets into places through discovery, analysis, and documentation is an important aspect of the everyday of geologists, astronomers, and computer scientists. Through planetary science the universe becomes transformed into a densely inhabited space which reflects upon human positionality as a part of the greater whole.

Similarly imaginative is Valentine's (2017) reflection on how 'the human' might become reconfigured in the proposals of outer space settlers. Focusing on the dual meaning of gravity (substance, physical force), the author explores how being 'elsewhere' might offer new anthropological insights. This 'elsewhere' are places such as Mars or Island Three, a large rotating cylindrical space. Living 'elsewhere' might introduce condition changes which unsettle established understandings of human life and the human condition.

In contexts more closely related to the topic of this thesis, the various texts in Wallman's (1992) early explorations on contemporary futures and their effects on industrial societies are relevant. Rather than alternative futures, the focus here is on how assumptions

about the future govern ‘present’ concerns, such as resource distribution, or become normatively imposed on a collective scale. How we and others picture the future has an effect on group identity, personhood, and our relationship with ‘others’.

Related to this earlier work is Appadurai’s (2013) interest in humans as ‘future makers’. In this collection of essays, among other topics he outlines the hopes and struggles of Indian slum dwellers for recognition, representation, and equality. As outlined in the Introduction, the probability and possibility dichotomy that Appadurai (ibid.) proposes is of relevance. In Appadurai’s (ibid.) analysis, this dichotomy unfolds in particular along the lines of structural inequality, where possibility — the hopes, dreams, and aspirations of the disenfranchised — appear in contrast to the probabilistic, calculative regimes of accounting and finance.

Similar to the possibility/probability differentiation is Bourdieu’s earlier (1979) distinction between foresight and forecast, which stems from a period preceding his interest in ‘fields of action’ and habitus. Foresight for Bourdieu is the manner in which Algerian peasants have time consciousness, a sense of the forthcoming, that is rooted in the experience of circadian rhythms and the ritualistic rhythm of workdays and holidays. Longer timespans to come are, though, none of their concern. Forecasting, on the other hand, is a technique that is typical for capitalism, related to how one can make calculative projections into the future and ‘master’ it. Disinterest in forecasting relates for Bourdieu also to the instability of the lives of the (sub-)proletariat, an uncertain present which makes it difficult to plan for the future.

Related to such explorations are Miyazaki and Swedberg’s (2017) reflections on the ‘economy of hope’, which is partly a continuation of Miyazaki’s earlier work on hope in Fiji (2004). The book assembles several well-known anthropologists and sociologists to explore the ‘economy of hope’ which exists in the ‘intersection of hope and knowledge’ (Miyazaki

and Swedberg 2017: 8). Japan is also a topic, and the authors discuss the role of neoliberalist reform as well as the slowdown of economic growth in the post-bubble era through the use of novels, media discourse (Miyazaki 2017), and questionnaire data (Genda 2017). The book in this way also connects with the project on Hope Studies at the University of Tokyo (2005–), within which Genda plays a key role.

The manner in which the book outlines various cases and theoretical reflections on how hope might be methodologically studied, how it re-emerges or is lost, makes its focus partly similar to Appadurai's interest in people as 'future makers'. What appears to differentiate the two is Appadurai's (2013) focus on the actor who struggles with structural inequalities for a better life, while the economy of hope seems to signify a broader notion of positive attitudes (including passive ones) towards the future which do not necessitate structural change. Malleable structure is in this sense a term that captures the active actor seeking to 'build a different future' which also appears present in Appadurai's (2013) work, but without necessarily limiting the focus to class struggle. Rather, the focus is on what drives and connects people who (collectively or individually) obtain the ability to create or direct the formation of organisational or group structures, what changes they seek, and what effects such changes have or why they fail.

Malleable structure is, further, related to the 'economy of hope', as for Miyazaki and Swedberg (2017) hope entails 'a willingness to embrace uncertainty' (2017: 8). Japan, which appears to have historically valued 'knowledge' (good academic education, continuous retaining of employees to retain knowledge, etc.), increasingly transitions for Miyazaki (ibid.) into a state of 'hope'. Malleable structure similarly entails uncertainty, as the ability to form structures implies simultaneously the relative lack of 'stable' socio-economic structures that can sustain or support people. The 'productive' quality of uncertainty is something others also describe when they mention how actors knowingly opt for structural

uncertainty instead of relative safety, as it allows for the hope of ‘new social landscapes and horizons’ (Cooper and Pratten 2014: 2). The difference to precarious structural uncertainty, such as in the slums of Mumbai or refugee camps, is that in environments of malleable structure people are endowed with the financial means and social capital to create socio-economic structures. What is uncertain is whether their plans or forecasts will actually materialise, not their survival or existence per se.

Related to explorations of the actor is also Moroşanu and Ringel’s (2016) introduction to a series of texts that explore ‘time tricking’: how people try to ‘mangle, bend, distort, speed up, slow down, or structure the times they are living in’ (2016: 17). This is a notion particularly related to individual or collective agency, rather than a greater being or spiritual power. The authors (ibid.) explore various ways in which people use skills and techniques to gain control over time. Nielsen (2014) appears to describe a similar understanding of the future that drives the efforts of his Mozambiquan interlocutor to build a house before obtaining consent to make his claim visible, instead of awaiting future approval. I share the interest of these authors in how people act to ‘build the future’ with reference in particular to their individual agency rather than higher powers or what they can neither control nor foresee.

While not ethnographic, in the frame of actor-focused, collective engagements with the future notions such as Beckert’s (2016) ‘fictional expectations’ are also of interest. Beckert outlines how modern capitalism is characterized by the manner in which investors, consumers, and corporations approach future opportunities and risks. While theories of market equilibrium and rational expectations theory provide economists with tools to forecast the future, such tools tend to underestimate uncertainty and overestimate human rationality. What fills the void are fictional expectations, collectively constructed images of the future. Such images differ from performativity theory, the realm of self-fulfilling

prophecies, as they are in many ways the presuppositions of economic activity rather than outcomes. Without believing in the value of money and what people trade money for, there will not be any market exchange (cf. Simmel 2011). Profit expectations drive present investments; the hope of satisfaction drives people's consumption patterns. In the frame of the actor who builds start-ups, it is similarly a belief in the profitability and success of one's business plan and proposed business model which becomes a presupposition for economic activity.

Scholarly rather than ethnographic, but relevant in the context of the actor, is Collins' (2008) work on the futures of modernity. These futures are often imbued with a sense of unavoidable certainty. On a cultural or national level, they lay out inevitable paths toward particular, homogeneous and repetitive futures which people present as transformative 'change'. Instead of presupposing such futures, Collins (2008: 125) proposes that we should remain open to uncertainty and allow the future to shake assumptions of present 'normality' rather than appropriate the future based on our present norms. While partly reminiscent of earlier critiques regarding the artificial dichotomies between 'our time' and the time of traditional cultures (Adam 1994), as well as of critiques regarding 'historicism' (Popper 2011), the notion of repetition (in the sense of the socio-economic structures people enact) having the appearance of transformative change (as things might after all be different) is in particular relevant to my work. I focus on how 'normality' and other constraints become introduced into the lives of actors which increasingly regulate and limit what appears possible.

To summarise, this thesis sides with inquiries that explore the future (or futures) as discursive structures and images that inform the identities of economic actors and their actions. While there is shared interest in the future, hope, and uncertainty (Appadurai 2013, Cooper and Pratten 2014, Miyazaki and Swedberg 2017) as forces that propel actors forward,

organisational environments of malleable structure in particular (start-ups, new religious organisations, new universities, etc.) are still rarely explored within the context of the anthropology of the future. Of relevance are further the constraints actors encounter due to the ‘predetermined’ futures of modernity (Collins 2008) or the limits that fictional expectations (Beckert 2016) impose. While I have differentiated such approaches from the ones focused on futuristic environments, start-ups are similarly futuristic since the pitches or business *bijon* of people appear as imaginative predictions. My focus, however, is not in particular on documenting all types of technological futures people lay out and enact, but rather on socio-economic structures and individual practices that particular futuristic claims appear to enable and ‘normalise’.

## Chapter 2: Methodology

I have engaged in multi-sited ethnography (Marcus 1995) in this study (objective 4) largely following a snowball principle (further outlined in 'Entering the Field'). My aim was to follow the growth of start-ups from both the VCF investment side as well as the organisational start-up side to give an insight into the interactions between 'meta-organisations' such as VCFs, which evaluate other organisations and their actors, as well as start-ups. Founders and other executives often became here those who 'broker' between start-ups and VCs. Urban and Koh (2013), as previously mentioned, have pointed out how there is little academic research which explores both the insides of organisations (hierarchy, labour, bonding, etc.) and their effects (on children, on the environment, etc.). This thesis is partly one version of such explorations, as the interaction between start-ups (founders and employees) and VCFs is part of its focus.

I have further applied para-ethnographic methods (Holmes and Marcus 2005, 2006). Para-ethnography focuses on the view of 'expert' interlocutors as sophisticated actors who have their own social theories and understandings of what's going on, rather than the ethnographer's interpretation of reality. It is thus a particularly useful methodology in the context of modern organisations (Islam 2015) such as start-ups due to the presence of highly educated and experienced actors. I have realised this approach by discussing the main coding categories and issues which emerged during fieldwork with 39 expert interlocutors (Appx. 21) in semi-structured interviews (further outlined below in 'Unstructured and Semi-structured Interviews'). I conducted these interviews after my participant observation-based fieldwork had ended.

One problem of fieldwork more broadly, and such interviews in particular, is what one might term the ‘loud’ minority issue. This means that some people, for personal reasons as well as reasons related to my own interactions with them or my perceived internal group membership, might have been less prone to share their opinions than others who were looking to ‘vent’ or were otherwise sympathetic to me.

This was particularly the case in hierarchical relationships. I was often part of start-up employee and VC teams, and it was usually founders and executives upon whom employees were focused. As negative opinions regarding superiors were not unusual, the stress employees felt, or the mistrust and uncertainty VCs experienced when dealing with founders, were accordingly concerns people frequently articulated. At the end of my data collection activities, I had obtained a majority of emotionally laden, para-ethnographic analysis focused on founders (there were after all more employees and VCs than founders). These were not simply ‘rants’. Interlocutors usually shared a precise logical assessment of founders and executives intermixed with anger or frustration which, if simply repeated, would at times result in an indirect questioning of the mental sanity of founders.

Following some of the articulate para-ethnographic analysis of opposing groups, in this sense, bears the risk of generalisation without accounting for the perspectives of those criticised. To avoid falling into a one-sided ‘generalisation’ trap, it was helpful to assume an etic perspective by applying the following:

- 1) Questioning personal interests of the group assigning critique and blame
- 2) Questioning external pressures (rather than the personal motivations) that motivated the one who is blamed
- 3) Framing the behaviour of the one that is blamed as unintentional or accidental
- 4) Looking for good intentions underlying such accidents

This approach will not generate ‘new’ knowledge, but it can help in identifying opposing arguments and perspectives already available within the data collected.

I have modelled my fieldwork following such approaches rather than methodologies that explicitly deal with time or the future (e.g. Salazar et al. 2017), as they appear appropriate for the study of modern organisations. The relevance of temporal matters was, further, not a presupposition but emerged in particular during fieldwork rather than in the planning stage. I, though, follow some of this literature in its focus on how people are also ‘sometime’ rather than just ‘somewhere’ (Nielsen and Dalsgaard 2015: 5, cf. Pink et al 2017). Such critiques address the primacy of spatial rather than temporal contextualising in anthropology. I sympathise with such critique, though in the context of modern organisations a focus on practice and discourse will also yield locally and spatially constrained categories (as long as people are ‘somewhere’ to agree or argue over ‘sometime’). Accordingly, a study of time and the future in a chronotopical (Bakhtin 1981, Ssorin-Chaikov 2017) fashion, which both explores as well as reconstructs through the process of writing the unity of narrative, time, and space, appears most fitting for organisational contexts within which people actively shape narrative and discourse.

### Frontstage and Backstage

As outlined in the Introduction, there are several theoretical concepts that are useful within the context of trustworthiness: role (Mauss 1985), frontstage and backstage (Goffman 1956). These terms appear related to discursive power (Foucault 1971, 1977) and the ‘legitimation’ of certain actions and performances rather than others. In the context of methodological exploration, it makes sense further to comment on Goffman’s (1956) dramaturgical analysis and the concept of frontstage/backstage briefly mentioned in the Introduction.

The frontstage is, in a sense, all contexts in which people are under ‘observation’ by particular audiences, people who have certain expectations regarding someone’s role. Within the institutionalised front context, it is ‘abstractness and generality’ (Goffman 1956: 16) which characterise the manner in which people act and engage in ‘impression management’. The way they act is predictable and often stereotypical, representative of ‘collective representations’ (e.g. how a doctor, a police officer, a hairdresser, etc. should act). Certain ‘appearances’ and ‘manners’ are particular to such fronts. Appearance means the visual, space-dependent setting, while manners refer to how people act or perform in a bodily manner.

The back region or backstage is then where all that appears ‘removed’ from the frontstage manifests. It is where the frontstage ‘may be painstakingly fabricated’ and where ‘illusions and impressions are openly constructed’ (1956: 69).

What is ‘back’ or ‘front’ is always subject to concrete social relationships, meaning there are certain audiences for particular performances. This motivates Goffman (ibid.) to posit a third category: ‘the outside’ (1956: 82). Interruptions from the ‘outside’ are usually met with a change in performance (e.g. a quarrelling couple switches to a mode of friendly exchange), an inclusion of ‘outsiders’ despite their unannounced intrusion, or their forced removal (e.g. ‘please wait outside until the meeting is finished’).

In Goffman’s (1956) analysis it is often the context which determines the particular behaviour or working consensus. However, he also remarks how there tends to be a backstage form of language and behaviour:

[...] reciprocal first-naming, co-operative decision-making, profanity, open sexual remarks, elaborate griping, smoking, rough informal dress, “sloppy” sitting and standing posture, use of dialect or sub-standard speech, mumbling and shouting, playful aggressivity and “kidding”, inconsiderateness for the other in minor but potentially symbolic acts, minor physical self-involvements such as humming, whistling, chewing, nibbling, belching, and flatulence (1956: 78).

Similarly, there is frontstage behaviour and language which is in many ways the absence or the opposite of such acts.

Within the context of this thesis, it was helpful to focus on such behavioural definitions rather than foreground context in itself, as arguably it is similarly behaviour which in circular fashion ‘constitutes’ the context, meaning the social context is also ‘enacted’ and ‘re-enacted’ rather than simply ‘there’. There is further great similarity between the formal/informal dichotomy of frontstage and backstage as well as the classic anthropological concepts of ‘joking relations’ and their opposite, ‘relations of avoidance’:

Joking partners are people who are expected to make fun of one another, tease, harass, even (often) make play of attacking each other. They are relations of extreme, even one might say, compulsory disrespect and informality. Relations of avoidance, on the other hand, are marked by such extreme respect and formality that one party is enjoined never to speak to or even gaze upon the other (Graeber 2007: 16).

The designation of frontstage and backstage in my analysis was then largely the consequence of following such behavioural norms, which in Japan tend to be particularly clearly articulated and ritualised both in terms of language (e.g. *keigo*, *tamego*) as well as performance. Comparable distinctions between context-dependent formal and informal behaviour are known in Japan as *tatemae* and *honne*. *Tatemae* (public and formal self) and *honne* (private and casual self) (Naito & Gielen 1992, Watanabe 2016) similarly relate to how the role one enacts in a public setting differs from what one shares in more intimate settings with people with whom one is more familiar. Concepts such as *kejime* positively stress the ability to differentiate between which behaviour is context-appropriate as a sign of adulthood.

Within the frame of time and the future, ‘sometime’ and ‘somewhere’, the enactment of ‘formal’ behaviour and the claiming of certain spaces or certain chronotopes as ‘formal’ concepts by presenting them on the frontstage was of interest due to their importance for collective identity, as well as their inherent hierarchical and power-related claims. The focus

on performance was useful because, in multi-sited fieldwork, Goffman's (1956) 'outside' frequently intrudes into 'seemingly' closed contexts (or to put it in Japanese terms, the *soto* intrudes into the clearly delineated *uchi*). While some meetings might be formal and frontstage within an organisation since they also include outside investors, directors, etc. and are preceded by backstage preparation, they appear backstage within the broader frame of the start-up world (as they show sides that people don't disclose to those outside the meeting or outside the company), and so on.

Further, Sinclair's (1997) differentiation between formal and informal backstage and frontstage appears here relevant, and hence I adapted it partly for this thesis with a focus on 'reflection' (backstage) and 'action' (frontstage). Following Sinclair (*ibid.*), the formal frontstage describes 'official' public contexts, e.g. company-wide speeches or pitching on stage. The informal frontstage concerns office parties, company dinners, and other 'leisurely' but concerted activities within the professional or 'official' context.

The formal backstage are all 'professional' activities, that incorporate moments of technical reflection, nervous anticipation, angry reminiscing, etc. often in preparation to formal frontstage activities (event preparation, creation of presentation slides, internal team meetings, everyday office work, etc.). The informal backstage concerns intimate, 'private' settings such as one-on-one interviews, lunches, dinners, and drinking: intersubjective encounters that unfold outside a person's institutional or organisational role.

This additional differentiation allows for an analysis that does not only foreground formality of behaviour (joking relations or relations of avoidance) to differentiate frontstage and backstage. Both stage types have formal and informal versions. Rather, what also differentiates the two is the 'reflective' and 'preparatory' focus of the backstage, while the frontstage revolves primarily around 'action', the presentation or enactment of a professional role with an audience in mind. 'Scripted' and 'theatrical' reflection might

similarly be part of such frontstage contexts, but their aim is then not problem solving or preparation but rather the generation of affective reactions.

## Entering the Field

I first entered the *mura* as a full participant. I had worked in Tokyo's start-up ecosystem in business development before I returned to university to begin my D.Phil. studies. Such interconnections between pre-fieldwork life and fieldwork are not unusual (Bernard 2006) and can be advantageous. My prior connections and knowledge as a participant allowed me to enter the fieldsite with relative ease. I also used my pre-existing understanding of the fieldsite during fieldwork and when formulating hypotheses.

When I reconnected with the *mura* in January 2018, I chose other fieldsites than the start-up where I had worked previously as a full participant, to allow for novelty and, in such a way, limit bias regarding pre-existing conceptions of what a start-up 'is like'. To gain access to such fieldsites, I asked a former colleague for introductions to VCs, as VCs are usually well-connected to various start-ups which might have a need for me.

From thereon I followed a snowball sampling principle and got introduced to my first two fieldsites: a seed-stage VCF, 'New Venture', and an early-stage start-up (post series-A), 'Twig'. Through New Venture I gained access to various events, and within such an event I got introduced (via a fellow New Venture associate) to my third long-term fieldsite: a growth-stage start-up, 'Branch'. All these fieldsites are related to young adult founders who have founded internet and (in particular) app-related start-ups in their 20s. Such internet and consumer-focused businesses were the most common among young founders in the *mura* during my fieldwork, as is also indicated in relevant data (Venture Enterprise Center 2019).

My fieldwork began formally in April 2018 and ended in April 2019. During fieldwork, my time was split between participant-observation and observation, with roughly 80% of my time spent as an observing participant.

From April 2018 until October 2018, I was part of New Venture and Twig. As a part of New Venture, I gained access to several start-up events. During the course of this part of the fieldwork I attended events regularly, usually around twice-monthly. In October 2018, I began to reduce my activity in Twig, which I had visited every day of the week, and explored two additional start-ups once or twice per week as well to increase my scope.

In November 2018 I spent one month of fieldwork in a large Japanese conglomerate, Lomerate, Corp., in Kyushu. My aim was to experience a very different working environment within a similar cultural context so that I could become more alert to the particularities of the *mura* to which I was accustomed to at that stage. One could compare this to the function of the breaks ethnographers take when they get too immersed in the field.

In the *mura*, people in large corporates were frequently portrayed as an ‘Other’. I chose Lomerate, Corp. because I was offered access following a start-up-related interview with its CEO, who was also involved in large ventures in Tokyo. Its large size and geographically removed location (Fukuoka Prefecture and Fukuoka city) seemed to allow for a contrast to the environment I was immersed in, while offering insight into such an ‘Other’.

From December 2018 onwards, I began participant-observation activities in Branch that ended in mid-April 2019. Near the end of the fieldwork, I scheduled unstructured interviews with interlocutors from former fieldsites, in particular the Twig and New Venture team, to hear what had happened in the meantime and to clarify issues that had emerged.

Following my fieldwork, I briefly ‘went native’. I returned to being a full participant for roughly 6 months in a start-up, before I resumed my write up. The reasons underlying

this decision were varied. Retrospectively I would say that I had been drawn into the lives of those I observed, identified with what they valued and felt appreciated due to what they had offered me. It now seems curious to me that within the context of a thesis partly concerned with trustworthiness and recruiting, I ended up being recruited myself. During this time, I gained further insight into what I had previously documented during fieldwork. After this period, back in Europe, I interviewed 39 of my interlocutors through semi-structured online interviews.

### Positionality and Rapport

Several factors characterised my fieldwork. In all fieldsites, I was in hierarchically inferior positions as an intern or associate experiencing and documenting power, ‘studying up’ (Nader 1972). Further, due to my abilities, I was mostly working with teams on the business side (sales, strategy, event organisation, document translation, etc.). When cooperating with engineers, I was their business counterpart.

My supervisors and the teams I was part of were, further, predominantly male. I had only one permanent female co-worker in Twig, two non-permanent ones in New Venture, and none in Branch within my immediate team. While during my fieldwork I engaged and talked to various actors beyond the limitations of my teams, my experience of lifeworlds was more influenced by the concerns of business teams rather than engineering teams, and male actors rather than female actors.

Due to my prior command of Japanese language, I did not have to learn the language anew or go through translators. Familiarity with a language has been mentioned as key for the building of rapport with interlocutors and the amount of intimate knowledge that interlocutors are willing to share (Brislin et al. 1973).

I often engaged in extended efforts to build rapport with participants by working together, going to lunch, drinks, dinner, karaoke, fishing, etc. From a research point of view, such rapport was key in identifying relevant questions and issues. As much as this was a part of research, it also became the basis for friendships.

#### Position in New Venture

New Venture was a seed-stage fund focused on internet businesses, with one main full-time partner and around 10 associates who were usually students working part-time. I was also active as an associate. My work consisted of assisting the fund's partner in sourcing potential investments at events, organising documents in preparation for investment meetings, and interviewing founders. The fund had no fixed office. Meetings would take place on a weekly basis in various locations usually limited to the fund partner and the associate. Most communication happened through social media or online workspaces such as 'Slack'. Associates connected with each other through chat groups. Frequent communication and occasional communal outings were not unusual.

#### Position in Twig

Twig was an early-stage start-up focused on developing an app-platform matching foreign-language teachers with potential students. At Twig I worked as an intern in the start-up's business team. The start-up was small and consisted of 13 full-time employees at its peak. There were usually 2–3 part-time contractors and a similar number of interns involved in addition. My work was varied, as is usual in early-stage start-ups, and included translation, event organisation, and research related to company culture and business strategy. The

business team was headed by the company's COO and concerned itself primarily with the execution of the company's strategy to achieve the performance goals they had to meet. The company consisted of four teams which were all located within the same room. This allowed frequent interaction with all members and a good understanding of all relevant issues regardless of team affiliation.

### Position in Branch

Branch was a growth-stage start-up with roughly 300 employees at the time of fieldwork. The company aimed to deliver personalised health advice through its app-based platform to its users. At Branch, I worked in the company's global strategy department headed by the company's Chief Strategy Officer, which was involved in efforts aiming to expand the company's business to the United States. My work involved meeting visitors, research, editing project outlines, and company presentations. The proximity to senior management allowed for a good understanding of the relevant issues the company as a whole faced. The large size of the company in relation to Twig meant that regular interaction with all employees was not possible. As the experience of the day-to-day was limited 'locally', I focused on company-wide events and activities during my fieldwork and their 'local' perception. To further gain a broader understanding of the company as a whole, interviews with employees from various departments were conducted during and after fieldwork.

### Unstructured and Semi-structured Interviews

During fieldwork, I mostly conducted unstructured interviews over lunch, coffee, or drinks to establish personal rapport. Within the fieldsites, interlocutors regularly experienced

conflict and stress due to the difficulty and uncertainty of what they aimed to realize. Unstructured interviews were usually the right mode to appropriately engage with actors who experienced such emotional pressures.

After fieldwork, once I had formulated ideas about the major categories my fieldnotes corresponded to, I conducted 39 semi-structured interviews lasting between 45 minutes and 1 hour regarding the main categories that had emerged, to collect the theories and insights of interlocutors regarding such issues in para-ethnographic fashion. I conducted these interviews using the various connections I made throughout fieldwork. The *mura* and its young adult inhabitants were highly interconnected, and at the end of my fieldwork many people were linked to my Facebook account, and so I was able to contact them for follow-up interviews. Within such interviews, I asked for additional introductions following a snowball sampling principle when needed.

One focus of the selection was on interlocutors who had changed workplaces since I had met them in the field to gain further insight into the mechanisms and experiences binding people to the *mura*. Such focus, though, did not mean that I had to stray far beyond my main interlocutors in the field, as the majority of them had also switched companies. Overall, 74% (29 of 39) of the interviewees selected now worked at a different workplace.

Secondly, I also tried to understand more about how the main categories that had emerged as a result of coding were perceived to mitigate expectancy effects by various actors (Rosenthal and Jacobson 2003). Expectancy effects are here understood as the manner in which people appropriate their behaviour and opinions to fit the expectations of the interviewer. During my field-work I engaged with at least 200–300 different actors but, as previously outlined, most of my time was spent in small groups with a few key informants. The knowledge shared with me was accordingly influenced by who I was, as someone embedded in intersubjective bonds I formed within such groups.

With the exception of 6 interlocutors, 33 interviewees with whom I conducted semi-structured interviews knew me only superficially or had been introduced to me for the first time. Contrasting and varied opinions obtained through these interviews increased my awareness of which emic fieldwork perspectives seemed to be intensified due to expectancy effects. To a certain extent, this appeared to be the case when the emotions of interlocutors articulated during fieldwork strongly matched my personal feelings.

A consequence of such interviews was, further, that exploring the wider applicability of some of the things witnessed during fieldwork became possible. Although bias cannot be fully ruled out as 74% (29 of 39) of interviewees were part of my original fieldsites, 82% (32 of 39) had experienced other work environments besides the fieldsite, and 66% (26 of 39) had experience in other start-ups specifically. In total the interviewees had a good understanding of the *mura* and of work life as a whole, as they had worked in at least 56 different corporate environments, 37 of which were start-ups or start-up-related (VC, accelerator, etc.).

When interviewing I followed a saturation principle, moving on to other organisations or groups when I felt that the various answers interlocutors gave became predictable. While 12 months of fieldwork in a sense provide saturation, interviews conducted after this period often yielded new material. I accordingly aimed to follow representative thresholds such as those articulated by Guest et al. (2006). The authors (ibid.) found that saturation in a homogenous group already occurs after 12 interviews, while for the emergence of broad overarching themes even 4–6 interviews suffice.

Often, then, it was after smaller sample sizes that a sense of saturation had been reached, which might be due to the extensive fieldwork that had preceded interviews. In the case of particularly homogenous sample groups (engineers, interns, etc.) assumptions of consensus theory (Romney et al. 1986) appeared to be confirmed. According to the authors

(ibid.), a group as small as 4 experts (e.g. four student interns regarding the work-life of student interns) suffices to obtain saturation within a high confidence interval.

In the interviewee selection, I focused on hierarchical roles (VC, founder, manager, start-up employee) within the broader ecosystem, as the intersubjective relationships between these roles seemed to substantially impact the experience of start-up actors within the field, but I also tried to achieve a balance between male and female interlocutors, engineers and non-engineers, permanent and non-permanent employees, that was representative of what I had experienced. Most interviewees (with the exception of 3) were further in their 20s or early 30s which was typical of the *mura*.

25% of interlocutors were female (10 of 39) and 75% (29 of 39) were male. These numbers appear largely representational of the organisations I was included in during fieldwork, which tended to be skewed male. Both start-ups and VCFs I had been included in were overall dominated by people with organisational, business, or finance-related roles (VCFs, in particular, tend to have only such roles). This is reflected in the interviews as well, with 85% (33 of 39) active in business or finance-related roles and 15% (6 of 39) in engineering-related roles. All interviewees had start-up employee experience, with several having founder (11 interlocutors, 28%), and VC (7 interlocutors, 18%) experience. 2 interlocutors had both founder and VC experience. 20.5% (8 of 39) of employees had further recently gathered experience as start-up interns or contractors. This low number of non-regular (*hiseiki*) employees is typical of the start-ups studied, which consisted mainly of regular (*seiki*) employees.

## Interview Style

Within interviews (both unstructured and semi-structured) I engaged in probing to elicit lengthy answers and explanations. Such probing included grand tour questions (Spradley 1979) (e.g. Who are the various founder groups in Tokyo's start-up ecosystem?). On other occasions, I restated what I thought informants had just told me before asking them a 'could-you-tell-me more' type of question (Bernard 2006). I would also provide affirmative comments (uh-huh, ok, I see, etc.) (Matarazzo et al. 1964) to encourage speakers by signalling my interest. In the vast majority of cases, I did my utmost to let the informant lead (Lofland 1976, Bernard 2006). Near the latter third of the fieldwork, once I was more aware of the issues and conflicts in the field, I at times tried to elicit further remarks and answers from interlocutors by leading, in particular when their answers seemed too general or disaffected to be true.

One question I frequently posed was, 'Could you tell me about an episode which surprised you or you found unusual within the start-up ecosystem?' I then let interlocutors choose whether they wanted to provide positive or negative episodes. Oftentimes interlocutors had much to share, but at times they were unable or unwilling to do so. I would then specify that they could tell me anything that had happened to them recently, and that it could be completely personal. This would often generate additional answers. I suspect that people were reluctant to make statements that could have been taken as broad generalisations, but were open to do so once I stressed the subjectivity of their opinions. This did not work when interlocutors made it clear that they did not have any experience of such a nature (surprising, angering), which was the case in one interview.

The answers obtained in interviews were particularly useful when contrasted with my fieldwork observations. Lapierre (1934) and others (Deutscher 1973, Pausewang 1973)

have noted that the gap between what people say they do and what they actually do can be significant. Interviewees further likely adapt their answers (Schwarz 1999, Schaeffer and Presser 2003) depending on to whom they are talking, leading to deference or social desirability effects.

Like all social encounters, interviews involve performance, and interviewees are likely to use such encounters to present themselves or their community in ways that are to their advantage. They might further, like all humans, only have selective memories of the past. These factors taken together then lead to, at times, contrasting perceptions of similar contexts, which I engage with in this thesis by putting them in dialogue with ethnographic observations.

#### Fieldnotes and General Data Analysis

During fieldwork, I made jotting notes during the day on my computer or phone. I saved fieldnotes chronologically in Apple Notes without connecting to the iCloud server, to comply with data protection guidelines. In addition, I made backup copies in text files on an external hard drive.

As most start-up workers were young, technology-focused adults, taking out one's phone, glancing at it, or typing something while speaking was not unnatural as it was behaviour that others engaged in as well. However, during lunch or coffee, in particular when interlocutors shared emotionally stirring content, I often postponed note-taking until after the conversation as doing otherwise would have felt rude. I mostly wrote extended fieldnotes using autoethnographic and descriptive means in the office during the day and, if necessary, completed them on weekends.

During fieldwork, I marked moments in the notes I perceived to be of particular importance or perplexing with a '[' sign. This made searching for such moments easier, and provided me with a base for an initial set of main coding categories after fieldwork. Another base for coding categories came from a first post-fieldwork text in which I summarised what I had experienced from memory. In a way, this approach is a form of directed but inductive 'content analysis', as the text written was based on empirical observations from fieldwork. These observations and codes then needed to be further explored or tested with recourse to fieldnotes. This differs from conventional directed content analysis, which is usually understood as primarily deductive with prior theories and research rather than empirical insight providing codes (Hsieh and Shannon 2005).

I first put the titles of my main coding categories in mnemonic terms (Miles and Huberman 1994), and later partly replaced them with in-vivo terms (Corbin and Strauss 1990) once I had a clearer understanding of the underlying data. After sorting the field notes into such main categories, I discovered further categories when field notes did not fit existing categories, as well as subcategories and interconnections that led to changes in the main categories.

Once I had a sense that the fieldnotes were ordered and the main themes and subthemes had emerged, I conducted semi-structured interviews (as previously outlined) to test various hypotheses, compared my observations with what others had perceived, gained further information (what has happened in the last few months?) and examined the importance of categories identified beyond my fieldsites alone, which led to further changes.

Throughout the write-up, I have continuously reworked material, in particular when trying to integrate axial relationships between main categories which then led to the renaming of such categories or the joining of previously separate categories. To analyse documents or texts I obtained during fieldwork, such as pitches or posts written by

employees as part of their work-life, I used hermeneutics, while also sorting them into the relevant coding subcategories. As conversation or linguistic analysis was not the focus of this work, I devised the translations in this text so that the original meaning remains while rendering verbal answers more legible. I did this by omitting filler words, sounds, or correcting incoherent sentence structures.

### Chapter 3: History, Policies, Malleable structure, and *Hanayaka* Attitudes

This chapter focuses on the tension between old, crumbling, ideals of long-term commitment in large corporates and the promise of new growth the *mura* might bring. While not focused on the inside of start-up organisations (see instead chapters 5, 6), the broad economic context introduced in this chapter provides the basic understanding necessary to achieve research objective 2 (emic insight into start-up organisations). Furthermore, this chapter outlines the collective discourses or representations people invoked when they explained why they worked in the *mura* and related socio-economic conditions. Such concepts inform what people variously judged as trustworthy and untrustworthy in Tokyo's *mura* (objective 3). This particular emic tension also indicates how people wish to change past trajectories in the future, as well as the socio-economic structures and modes of thinking, that seem to inform such goals (objective 1).

Interlocutors oftentimes invoked 'life chances' (Weber 1980: 531ff) when they explained why they worked in the *mura*. Life chances is here understood to describe the choices people perceive as available to them. This perception relates to how socio-economic structures affect the opportunities various social groups (class, gender, ethnicity, etc.) can access and perceive. The analysis of life chances often focuses on the effects the past has on the present, e.g. how education systems lead to different outcomes for different social classes. Similarly, in the *mura*, 'old' social structures were what seemed to deterministically reproduce a state of national 'crisis' and uncertainty. 'Mainstream' Japanese society and its large corporates were in stagnation or decline. The *mura* — although its labour conditions could be uncertain and precarious — offered hope and the potential for change. People perceived its malleable structure, its emergent and experimental organisational structures,

as ‘flexible’ social structures which they could actively influence to produce better future outcomes.

As will be explored going forward, this ‘movement’ of including what is normally ‘fixed’ within the possible partly springs forward from what Turner (1967) might refer to as a ‘liminal’ attitude or ‘anti-structure’ values. Rather than resulting in a clearly defined ‘structure’ as in the predetermined ritual process (of the past), malleable structure does not necessarily have a ‘structural’ outcome (yet). Rather, its structural outcomes are still ‘virtual’ and subject to phases of experimentation. Within the *mura* this virtual quality is positively connotated and seems to be informed by what one might term a carnivalesque (Bakhtin 1984) attitude. For Bakhtin (1984), who focuses on the literary writings of the 16<sup>th</sup>-century writer Rabelais, the carnival is a communal, festive instance characterised by inverted hierarchies, focus on ‘the body’, the boisterous, and the grotesque. As an egalitarian event opposed to the solemn, hierarchical world of the church and the king, carnival laughter had an ‘indissoluble and essential relation to freedom’ (Bakhtin 1984: 89). The regular and controlled reoccurrence of the carnival can be seen as an inverted affirmation of the existing order, but its subversive potential has equally been posited (Graeber 2007): by collectively deconstructing the existing order, the potential for change becomes visible. These positions are not mutually exclusive but appear to posit moments or periods of assertion, during which the carnivalesque becomes ‘adjusted’. In Bakhtin’s (1984) analysis this ‘adjustment’ appears as a predictable ‘readjustment’, whereas in Graeber’s (2007) view such ‘adjustment’ can also assume an ‘alternative’ form.

Both the potential for alternative futures and the process of reasserting the ‘existing order’ seem visible in the *mura*. People in the *mura* talk of *bijon*, their wish to ‘build a new future’ and solve societal problems. Start-up events and co-working spaces appear as *hanayaka* (festive) environments with young people projecting ‘coolness’ (*iketerukan*).

*Mura* actors often embrace a discursive complex that in *hanayaka* fashion passionately opposes regulation, rules, or defined processes, what one could term the bureaucratic norms of ‘corporatism’. While such *hanayaka* attitudes appear reminiscent of subversive, carnivalesque tendencies, similar anti-structural attitudes were not extended towards broader systemic frames such as ‘capitalism’ itself. Eventually, as particularly visible in later chapters, mechanisms of measurement and profit maximisation assert themselves and restrict what appears possible.

What is interlinked with such *hanayaka* attitudes and their anti-structure impulse is a focus on what Guyer (2007) calls the ‘near future’. In her essay she comments on monetarism, the infinite horizons that seem to inform the liberalism underlying central bank-led economies and evangelical understandings of time, which posit different time periods, the current time period being an extensively long and undetermined one projected to last almost 2000 years. In both cases the near future, what people can comprehend in terms of ‘emergent socialities’ (Guyer 2007: 409), remains untouched while the long run is all that counts. From a liberalist policy perspective, intervention in the near future hinders efficient market operation. It is akin to a strong state-led dictum which Hayek (1944), under the influence of Second World War fascism, describes as a ‘craving for intelligibility’ that could ‘lead to the destruction of our civilization’ (1944: 151). For the evangelical, the near future is simply an inconsequential period of ‘waiting’ (Guyer 2007: 414) with the apocalypse on the far horizon.

A converse engagement with the near future and the long run is characteristic of the *mura*. ‘Mainstream’ society is in a state of lost decades (*ushinawareta 10nen, 20 nen*). GDP growth is low, and the Japanese population is ageing and shrinking. Nevertheless, ‘real’ change seems out of reach. Instead, moments of crisis appear in a spiralling fashion. Large corporates are the ‘Other’ opposed to *hanayaka* ideals and partly responsible for Japan’s lost

decades. They are bureaucratically overstuffed and ‘inert’. They might offer regular employment and regular salary increases, but like the economy they also don’t grow quickly anymore, and several have stumbled in recent decades, laid off workers, or reduced welfare benefits. Why ‘wait 20 years’ in employment, then, and for what, as one interviewee put it. Instead, the *mura* allows for immediate action, promising different near future results fuelled by ambitious growth goals and a business *bijon*.

Guyer’s (2007) analysis focuses on the policy level of liberalist or neo-liberalist ‘time management’ which avoids engagement with the near future. While such avoidance might be characteristic of the policy level, the focus on ‘individual freedom’, on meritocracy and agency, in neoliberalist policy can conversely encourage people who have the necessary capital (human, financial, social, etc.) to engage actively with the near future as the *mura*’s example shows. At the same time, such policy appears to ‘naturalise’ uncertainty and precarious conditions. A meritocracy implies that one deserves what one earns — be it failure or success. ‘You can make it if you try is a double-edged sword’, as Sandel (2020: 29) points out. While the threat of failure is hence imminent in the *mura* and fuels uncertainty, at the same time it is such uncertainty which for some figured as a ‘productive and investigative cue’ (Cooper and Pratten 2014: 3) since it also harboured hope.

This focus on individual agency in conjunction with the *mura*’s *hanayaka* attitudes is a relevant background that informs perceptions of trustworthiness within the *mura*. In the following sections, I will first outline the socio-economic conditions which inform the life chances of actors in reference to recent historic developments and the ‘neoliberalising’ policies which created the *mura* as a part of broader ‘start-up market creation’ efforts. Then, I analyse how such life chances appear reflected in how people in the *mura* describe engaging with the near future as liberating, as an affectively pleasant experience that revolves around notions of personal ‘freedom’ and *hanayaka* attitudes. In the *mura* one can

create, positively contribute to society, or pursue self-realisation. People are not ‘alienated’ from their work in the Marxist sense but ‘directly’ experience creation efforts. This differentiates the *mura* from the bureaucracies of stagnant large corporates. Such ‘freedom’ relates to malleable structure, emergent and experimental organisational structures. Although malleable structure lacks stability and security, people describe the immediate experience of malleable structure as liberating. This is related to its ‘incomplete’ state, which allows actors to actively focus on planning and ‘building’ the near future through individual agency. I will comment on how such positive characterisations appear as frontstage narratives while in particular the backstage critiques of those who left the *mura* show a different side of *hanayaka* freedom.

### 3.1 The Mura’s Time, Lost decades, and Boom

The *mura* appears as a ‘village’ (or interconnected ‘villages’) ‘as when one messes up it spreads widely’ (*hema shitara mechamecha hiromachau*), while it is also ‘inclusive’ as ‘everyone is friendly and informal’ (*mina nakayoshi*). Not everyone involved in start-ups is in the *mura*, but the *mura* meant student entrepreneurs (*gakuseikigyōka*) and others dependent on the help of VCs or older entrepreneurs as well as such helpers themselves. The term *mura* is mainly used in informal backstage settings; in more formal contexts people would refer to the ‘venture space/locality’ (*benchā kaiwai*) or ‘ecosystem’ (*seitaikei, ekoshisutemu*).

While most of the *mura*’s start-ups are geographically located within Tokyo city, there is no specific physical location that defines the *mura*. It is rather an assembly of different networks of young people engaged in start-up-related activity. One encounters

others at events, VC circles (*mur*as within the *mura*), dinner parties (*nomikai*), or online. One knows others and what they are doing, or one at least knows the same people (on Facebook, Twitter, etc.) and is in that way connected. Connections can help employees find new jobs, founders raise more capital, or VCs find good investments. Connections mean one can quickly obtain references from mutual acquaintances, start-ups can obtain introductions and verify the fidelity of potential business partners, and investors could do the same with potential investments.

Within the *mura*, actors frequently articulate opposition to the ‘established order’ in both frontstage and backstage settings. Sasaki, a successful serial entrepreneur active in the *mura*, defined people in the *mura* as *mairudo yankī* (mild Yankees) within the frame of a student-focused event. Sasaki was a slim man in his late thirties, who had his hair kempt back in keeping with his smart-casual dress. He had successfully built several businesses, exited, and became an early-stage investor himself. *Yankī* is a term usually employed to describe groups of rebellious, anti-establishment youth with links to delinquent behaviour. In popular media, *yankī* often engage in fights and employ rough and aggressive language. For Sasaki, ‘doing [things] properly’ (*chanto yaru*) differentiated ‘*mairudo yankī*’ from *yankī* no-gooders:

I was an idiot (*baka*) but I was absolutely certain I would make it. [...] We are mild *yankīs*; what everyone (*mina*) is not doing, we are doing properly (*chanto yaru*).

Some similarly stressed that within Japanese society doing something ‘different’ is rarely sanctioned, as ‘the nail that sticks out will get hammered in’ (*deru kugi ha utareru*). The start-up world, on the other hand, allowed for such difference. These attitudes appear to localise the ‘start-up’ as an organisational structure in particular ‘cultural’ ways. Strategically-relevant Schumpeterian (1934) ‘creative destruction’ — the disruption of pre-existing structures through radical innovation — appears here extended towards the manner

in which people also define their discursive selves. The *mura* and its start-ups as environments both appear to aim for disruption of the ‘norm’ to succeed economically while also encouraging *hanayaka* attitudes akin to ‘a small group of pirates going to overtake the establishment’, as one interviewee put it.

Such disruption is welcome, as it appears to open the door to new possibilities which are necessary because the ‘existing order’ has become untenable. What needs to be disrupted is a ‘national’ history of ‘lost decades’ (*ushinawareta 10nen, 20nen*). The intensity of such sentiments is much more apparent in the following *informal* backstage statements while more muted comments (such as the term *mairudo yankī*) appear typical of the frontstage.

People in the *mura* projected the past into the future. They ‘anticipated the past’ (Farriss 1987), which for them indicated a state of ‘Japan in crisis’. However, as Roitman (2014) put it, the question is always ‘crisis compared to what?’ (2014: 4). Kaneko, who had founded his first start-up as a university graduate and had also been employed in a start-up, answered this as follows:

Since the bubble economy burst in 1990 we have always been in what’s called a ‘lost age’. This has been the case since I was born; I am now 32. Now there is talk of ‘a lost 30 years’ (*ushinawareta 30nen*). I really do not like this. Since the bubble collapsed there is no capital, a generation that knows nothing [of the booming bubble years]; I feel this is not reasonable at all [...] Our generation should try to change the current economy of Japan, this old-fashioned, not-really-healthy situation [...] by building new ecosystems, new structures rather than staying within the structures of existing companies or ecosystems.

Matsuo, who was employed in two start-ups and about to establish his own, linked ‘Japan’ and its current state of stagnation to what he, with a mix of outrage and disbelief, described as the ineptitude of its large corporates:

When I look at large corporates — [people] will get angry at me [when I say this] — I can’t help but think this is going to fail (*dame ni naru*) [...] let’s say you evaluate those 40 and 50-year-olds [working in large corporates], ‘is that all they can do?’ If you look outside of Japan, I wonder, ‘is Japan OK?’ [...] When I interview potential employees, there are many who share this feeling.

These critical voices appear to refer to ‘Japan in crisis’ (Schad-Seifert and Kottmann 2019), for the country, while growing rapidly in the post-war years, is now experiencing ‘depopulation, deindustrialisation and disasters’ (Shiraishi and Mataoba 2019), and low economic growth as well as problems of corporate and political governance which cumulate during natural disasters exemplified by Fukushima in 2011 (earthquake, tsunami, nuclear meltdown) (Youngshik and Pempel 2012). In many ways such critiques of *mura* actors seem to contrast a past of rapid growth and ‘hope’ with a present of ‘slow decline’ in, at times, nostalgic fashion.

This nostalgic view was also invoked with reference to historic ideals as well as ‘national’ golden ages. Shibuzawa Eiichi, who following the Meiji Reformation is said to have been involved in the establishment of more than 1000 companies, was described as a role model on several different occasions. Vogel’s (1979) ‘Japan as Number One’, which describes Japan and its large corporates during the 1970s as role models for the US, inspired one intern to join a VCF and later found his own start-up aiming to fuel a return to such an age. Such restorative, frontstage discourse is likely not what ‘everyone’ embraces, but appears indicative of how the *mura*’s *hanayaka* anti-establishment impulse is more positioned within capitalism, rather than the creation of an alternative lifestyle.

## Lost Decades

The conditions that inform such nostalgic attitudes can be summarised as a lost decades perspective (cf. Genda 2017). During the post-war period, lifelong employment (*shūshin koyō*) and seniority wages (*nenkō joretsu*) were ideals paired with ‘corporate welfarism’ rewarding loyalty with regularly increasing wages for all regular employees (*seiki*). Corporate welfare, family care, and high household savings for old age were the

distinguishing features of the ‘Japanese welfare society’ (Uzuhashi 1994). Both corporate welfarism and familial care have however changed significantly since the 1990s due to labour reforms and a shrinking population.

Post-war corporate welfarism was in many ways idealised beyond its actual reach. In 1970 more than 75% of all household heads identified as a salaryman, although at most only 30% of the male workforce had ‘real’ salaryman positions that offered lifetime employment and regular, ‘guaranteed’ seniority-based pay increases (Roberson and Suzuki 2003). The system further encouraged a ‘normative’ family-corporate relationship that demanded hard work and company loyalty from men, idealised women as housewives, and promoted academic excellence for children as bearers of a bright future. Accordingly, the image of the middle-class heterosexual office worker who, like a good citizen, works for family and society became an ideal (Dasgupta 2013) while women, for example, were expected to retire from the work-force once married, and if they worked at all after marriage they were confined to part-time jobs.

This ideal as well as the actual conditions of corporate welfarism were impacted significantly in the 1990s after the burst of Japan’s financial bubble, which marked the end of the country’s rapid economic expansion and the beginning of the lost decades. Rebick’s (2005) extensive diachronic analysis of the Japanese employment system demonstrates how societal changes, a shrinking working population, and the economic recession following the bubble economy go hand in hand with changing employment schemes. Following the bursting of the bubble, corporates engaged in employment reforms to allow for ‘flexibilisation’. Besides wage reduction, corporates reduced the number of regular employees, directly violating what had been promoted as the responsibility of corporates — care and lifelong job security in exchange for loyalty and hard work. With the erosion of job security, compensation became increasingly merit-based rather than seniority-based, a

change that affected 77% of all companies by 2003 (Allisson 2013). Between 1997 and 2008, the annual earnings of workers fell by 14%, 56% of workers between 16 and 34 needed a second source of income to afford basic necessities, 17% of all those in employment between 20 and 50 years old had some form of side job and roughly half of the workforce was considering acquiring one (Standing 2011).

Besides such deterioration in corporate welfare, the 2000s were also marked by shrinking families and social isolation due to a decreasing population. In 2005, deaths outnumbered births for the first time. This trend has persisted since 2007 according to the Ministry of Health, Labour and Welfare (2019). The total population of Japan has decreased from a high of 128.01 million people in 2010 to 126.18 million people in 2019. In 2019 deaths outnumbered births by roughly half a million people, the highest amount to date. Since the 2010s, the Japanese fertility rate has been within a range of 1.39–1.44 children per woman, and while this is an increase from a historic low of 1.29 in 2003 and 2004, it is significantly below 2.1, the rate necessary for a self-sustaining population without immigration. Japan's historically low immigration appears to be on the increase due to new highly skilled visa programs first introduced in 2012, but so far this increase has not been substantial enough to stop the country's population from shrinking. These developments, captured under the term *shōshikōreika* (low birth rate, ageing society), have been repeated in mass media. They became linked with the loneliness (*kodoku*) of eternal singles, nuclear families, and old age. Stories of old people who die unnoticed and are found weeks later (*kodokushi*) have become increasingly common (Allison 2013).

The financial crisis of 2008/2009 appears to have perpetuated economic uncertainties and sustained lost-decade-perspectives until recent years. After the crisis, the annual earnings of workers fell abruptly, and it was not until 2017 that pre-crisis levels of ¥4.3-4.4 million (\$39,000-40,900) were reached again, though still below the 1990s in

absolute terms. To alleviate the aftermath of the crisis, Prime Minister Abe of the LDP introduced economic measures, ‘Abenomics’, which should revitalise the economy. In recent years, high corporate profits and a tightening of the labour market (also due to a shrinking population) appear to correlate with further wage increases. These are considerably higher for non-regular workers on contracts of limited duration with fewer social security benefits than for regular workers (Aramaki 2019).

While there cannot be a state of ‘regular crisis’, ‘crisis’ and uncertainty can become rhythmically reinvoked in the imagined community (Anderson 2006) through newspapers, televised speeches, economic reports, etc. This characterises the *mura*’s era, a seemingly unpredictable, uncertain time that fuels people’s impulse to grow ‘on their own’, as Matsuo, who had worked in managerial positions in two start-ups and was about to found his own, put it:

This era is one of VUCA — volatility, uncertainty, complexity, ambiguity. It is within such a time that people are looking for a way to grow (*seichō*) as it’s scary. If I talk to younger people, they have difficulty finding growth opportunities.

During the ‘post-war’ years, lifelong employment might have been ‘worth’ committing to one company. The ‘time’ they were in now was not one of linear horizons, stretched out in predictable fashion; it was not a time that rewarded patience. After all, companies had laid off regular workers during periods of economic recession (end of the bubble economy 1990, Lehman shock) and stumbled due to internal irregularities (e.g. Toshiba in 2017). In an era of sudden changes, one couldn’t just sit around and wait for ‘the long run’ to pay off, as Matsuo seemed to imply:

Sushi, for example: to become a master sushi chef you need to pass 20 years of apprenticeship. Do you really need to do this for 20 years? I don’t know that much about sushi chefs but there are many young people with an ‘I won’t wait 20 years’ [attitude] [...] the salary also doesn’t increase, even if you wait there is nothing [...]

While Matsuo worked on the higher levels of company hierarchy, Fujiwara, an intern who had worked in three different start-ups and was active in the *mura* community, similarly reacted to the unpredictable character of their time — the swirling, sudden breakdown of the predetermined — to working in a start-up:

Start-ups have a culture that can respond to change. Even if the outside environment were to change suddenly, start-ups are where you can flexibly make decisions [...] Now is an era of such sudden changes — the changes are too big, research also advances at an amazing speed, globally the cost for people to come together is also low, neither is the market standing still.

### The Venture Boom

In contrast to the state of ‘mainstream’ Japan, which seems caught in the temporal loop of lost decades, is the *mura*’s past trajectory. *Mura* actors seldom invoked a sense of locally shared history. This appears partly related to the history of Japanese start-ups. Japanese business publications (Diamond Online 2019b, Tamura 2019) date the emergence of the conditions that sustain the *mura* to 2013/2014. In scholarship written prior to this time (Storz 2008, Cole 2006, Whittaker et al. 2009, Kneller 2011), the many hurdles high-growth start-ups face are dominant: low labour mobility, and a lack of funding, immigration, information exchange between universities and business, interest among large corporates (innovation, investment, collaboration), and differences in the motivation of employees or founders.

The history of start-ups in Japan is characterised by the term venture boom (*benchābūmu*) (Sakamoto 1983). Rather than a stable network of institutions and actors ‘producing start-ups’, new ventures emerge in sudden ruptures throughout history. According to Japanese scholars (Tahara 2011, Onose 2007) four venture booms have occurred since the beginning of Japan’s economic post-war revival: the first 1970–1973, the second 1982–1986, the third 1994–2006, and the fourth 2013–present, the *mura*.

The first two venture booms were enabled by conditions of financial easing following geopolitical events, and occurred during Japan's post-war expansion period. In contrast to this, the third and the fourth (*mura*) boom unfolded in the post-bubble years and were both government-led. They were characterised by political efforts aimed at revitalising what seemed like an ageing low-growth economy. While the timing of the first two booms seems coincidental, the third and the fourth boom reflect intentional governmental venture creation efforts aimed at turning the boom into a stable start-up ecosystem.

The third boom (1994–2006) took place within the low-growth, lost decades following the collapse of the 'bubble'. More than the previous booms it was 'government-led'. At least 29 government policies (support for R&D-type ventures, increasing flexibility of the labour market, a legal framework for stock options, lifting of bans on private equity trading, etc.) released between 1995–2003 appear as venture creation measures (Tahara 2011). This boom was characterised by internet businesses (Rakuten, Hikari Tsushin, GMO) and biotech businesses. The 2006 'livedoor shock' — the media coverage surrounding fraud allegations concerning the start-up 'livedoor' and its founder, Horie Takafumi — symbolically marks the end of the third venture boom.

The fourth boom, the *mura* (starting around 2013/2014), is similar to the third boom as venture-focused government initiatives are an important underlying factor (as will be explored going forward). While the first two booms were not mentioned by actors, people in the *mura*, seemingly in reaction to the scandals ending the third venture boom, were sometimes avid to portray the fourth boom as 'different'. They now had the 'right' values. While before, actors were simply focused on making money quickly, now the motivation of those in the *mura* was problem-solving (*mondai kaiketsu*, *shakai kadai kaiketsu*), contributing to society. By having the right values, long-term stability and broad societal support could be ensured. Accordingly, instead of the term boom, the term 'start-up 4.0' was

preferred by some as boom implied instability: a fleeting occurrence, not a stable ecosystem that could provide an actual alternative to the mainstream of lost decades.

In particular VCs in the *mura* were aware of the unstable history of Japan's start-up ecosystem. On several occasions, they invoked the following three factors to express their conviction that the fourth boom was different:

(1) Government initiatives aim to increase entrepreneurial activity and cooperation between start-ups, corporates, and universities. Most of the government's initiatives are focused on increasing collaboration between universities, start-ups, and large corporates as well as encouraging entrepreneurship (incubator programs, competitions, etc.). The underlying goal of these initiatives is the creation of internationally competitive ecosystems and start-ups.

(2) Increased financing opportunities and interest from large corporates as well as venture capital makes becoming an entrepreneur easier. This is accompanied by increased start-up-corporate collaboration, allowing start-ups to access previously closed relational networks.

(3) Mentorship and financing from a generation of already successful founders helps young entrepreneurs and raises interest in start-ups. Such mentorship was particularly relevant as the *mura* didn't lack capital but, rather, good founders or investment opportunities, as VCs indicated to me.

In particular (1) and (2) are relevant factors that show the links between 'liberalising' government policies and the embrace of individual agency to change the near future, which many in the *mura* invoked. I will comment further on such notions in the next sections while (3) is of particular importance in Chapter Four.

## Neoliberal Freedom and Start-up Market Policies

In Japan, some aspects of the narrative of lost decades — low GDP growth and the economic struggles of large corporates in the post-bubble era — were partly met with ‘neoliberalisation’, and the *mura* appears to be the result of related policy-driven ‘start-up market making’. While opposition to the ‘mainstream’ is one aspect that informs the life chances actors referred to in frontstage narratives, the other relates to individual freedom and agency in general. I will first introduce how individual freedom appears from a (neo-)liberalist and welfarist perspective and then outline representative meritocratic policies, market conditions, and the newly ‘liberalised’ institutional networks which appear to enable the *mura*. The following part outlines how such policy and institution-level reforms are mirrored in the language of actors who described working in start-ups as ‘liberating’ due to its *hanayaka*, anti-bureaucratic ideals and malleable structure.

Neoliberal logic can be conceptualised in contrast to welfare states and their models of universal welfare. The ‘Nordic’ welfare state, which was largely established in the first half of the 20<sup>th</sup> century, exemplifies a model where citizens who work provide tax income to the state, which in return has to ensure socioeconomic welfare and stability. This is, for example, achieved through tripartite labour market negotiations between state, employers, and employees aiming to achieve a compromise with minimal conflict (Christiansen 2006).

Neoliberalism might be defined as advocacy for minimum state interference based on the philosophical foundations of liberalism. This aims to maximise individual freedom and choice through minimal market regulations, although the actual outcomes might in reality be more regulation than such an ideal proposes (cf. Vogel 2018). Welfare states, so the argument goes, ensnare their citizens in a web of dependency and stifle entrepreneurship and innovation, on which wealth-creation supposedly depends. Critics of neoliberalism, on

the other hand, argue that the concept in this manner drives a utopian vision revolving around individual freedom and market making while its political outcomes are unequal wealth distributions in favour of old and new elites (Harvey 2005).

Closely related to the notion of the ‘free’ individual central to neoliberalism is meritocracy. A ‘pure’ meritocracy aims to reward those who ‘make it’ it while implicitly suggesting that the failings of those who don’t ‘make it’ are similarly their fault. Thus, it can’t be the ‘state’ or ‘society’s’ job to cushion such failings (cf. Sandel 2020). After all, exerting the right effort can avert negative outcomes, one might argue. Those who fail are merely getting what they deserve. The socioeconomic circumstances and coincidences enabling success or the role of the ‘genetic lottery’ of birth are usually of minimal importance in such perspectives.

The neoliberal notions of market-making, meritocratic struggle, and fierce competition just outlined appear reflected in some of the policies that created the *mura*. Together with increased financial liquidity driven by monetarist policy and a ‘relational’ opening of the closed networks of large corporates, such policies are ‘neoliberalising’ as they create ‘free’, high performance, meritocratic, and selective start-up markets. Mostly promoted during Prime Minister Abe’s second term, they are in a sense compatible with the logic of Prime Minister Koizumi’s 2001 reforms which encouraged measures such as merit-based pay, ‘flexibilisation’ of contracts through the increase of the potential length of non-regular worker contracts (from 1 to 3 years), as well as the areas of work for which they could be used (Allison 2013). When Prime Minister Abe assumed his post for the first time in 2006, he similarly vowed to continue Koizumi’s efforts and aim to create a meritocratic society which ‘rewards those who sweat, [and] work hard, with utmost effort and greatest diligence to create knowledge’ (Kantei 2006).

Japan's start-up policies aim to 'unlock' potential by creating the necessary market conditions. In 2019 Prime Minister Abe's cabinet secretariat declared the establishment of a start-up ecosystem a strategic goal until 2024. A corresponding strategy bears the bold title 'Beyond Limits. Unlock Our Potential' (Naikakufu 2019) and contains seven sub-goals. These goals revolve around the formation of a globally competitive start-up eco-system which necessitates a strengthening of university-focused ecosystems, competitive start-up acceleration programs, financing for technology start-ups, state-led procurement from start-ups, an ecosystem that is characterised by strong 'personal connections' (*tsunagari*) and that has 'momentum' (*kiun no jōsei*) as well as increased flexibility of the R&D-related labour market (Naikakufu 2019). Through the successful realisation of such goals, the government hopes to achieve an overall increase in start-ups, the creation of more than 5 Japanese unicorns (start-ups with a market capitalisation exceeding 1 billion USD), and the establishment of Japan as an international brand and location for entrepreneurs by 2024.

Several government initiatives seem to underline the government's commitment to the creation of a high-growth start-up ecosystem. The venture white paper (*benchā hakusho*) (VEC 2019), a yearly start-up-focused report, lists 69 active venture-focused government initiatives (Appx. 10) led by 24 departments belonging to 10 different government entities. The government institutions involved in the implementation of such initiatives are at the highest level of governmental power, including the cabinet office and various ministries.

While the strategy's declaration seems to be of symbolic importance, several initiatives are not entirely new. One example of this, and also one of the main vehicles through which the government delivers support measures in meritocratic fashion, is J-startup (Fig. 2). The government launched J-startup in the middle of 2018, and under its umbrella previously separate start-up programs were combined and rearranged (Ikeda 2018). Branch, one of the start-up field sites of this thesis, had also been a part of this program. J-startup aims to deliver

‘Future growth for Japanese start-ups, future innovation for the world’ (*Nihon no sutātoappu ni tsugi no seichō o. Sekai ni tsugi no kakushin o*) (J-startup website) and wants to support ‘start-up companies that can compete globally and win’ (*sekai de tataikai, kateru sutātoappu kigyō*) (J-startup Website).

Start-ups that wish to become a ‘J-Startup’ need to go through an evaluation process led by a jury selected by the Ministry of Economy, Trade, and Industry (METI). The program is highly selective. In 2020, 139 start-ups were selected from roughly 10000 companies applying to J-startup. J-startup only accepts start-ups that are ‘deep-tech’ (in need of substantial technological research), ‘platform’ businesses (linking consumers and producers, e.g. Netflix, Airbnb, Uber) or businesses that solve problems relating to the UN’s sustainable development goals (SDG). Once selected, start-ups have access to 19 different government support programs that provide matching services with large Japanese corporates, access to international start-up events (such as Web Summit, SXSW, and CES), financing support, intellectual property support, business strategy support, etc.

## J-Startup

令和2年度概算要求額  
19.3億円 (令和1年度予算額 8.0億円)

- 世界で戦い、勝てるスタートアップを生み出し、革新的な技術やビジネスモデルで世界に新しい価値を提供することを目的として、成功モデルとなりうるスタートアップ企業を選出し、重点的に支援を行う。

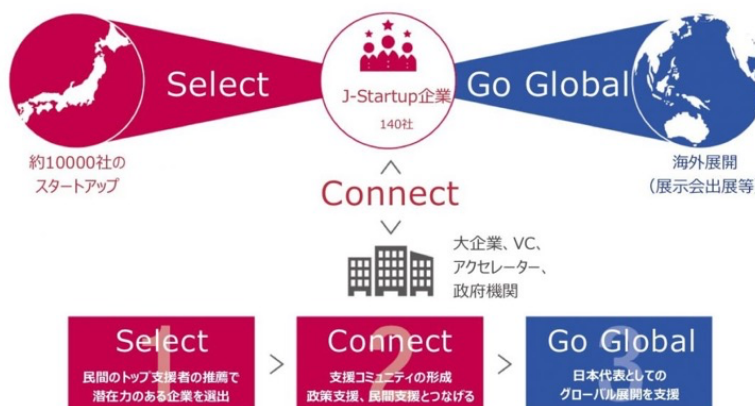


Figure 2. J-Startup presentation slide. (Naikakufu 2019)

A second example of relevance are university-related initiatives such as EDGE (2014–2016)/EDGE-NEXT (2017–), a next-generation entrepreneur education program, START (since 2012), a program linking business and scientists to promote the creation of technology start-ups, and SUCCESS (since 2014), Japan Science and Technology Agency’s tech spin-out investment and support initiative. The vast majority of university ventures come from elite institutions. In particular the Universities of Tokyo, Kyoto, Tsukuba, and Keio University were dominant in recent years (Initial 2020). Already before the fourth venture boom during the period 2000–2010, substantial government initiatives were targeting university start-ups, university start-up-focused incubators, and regional researcher-business networks (Ibata-Arens 2011). The number of start-ups founded with the involvement of universities<sup>3</sup> increased from 420 in 2000 to 1807 in 2008. While the number of active university start-ups stagnated 2008–2014, it continued to increase from 2014, during the fourth venture boom (Fig. 3).

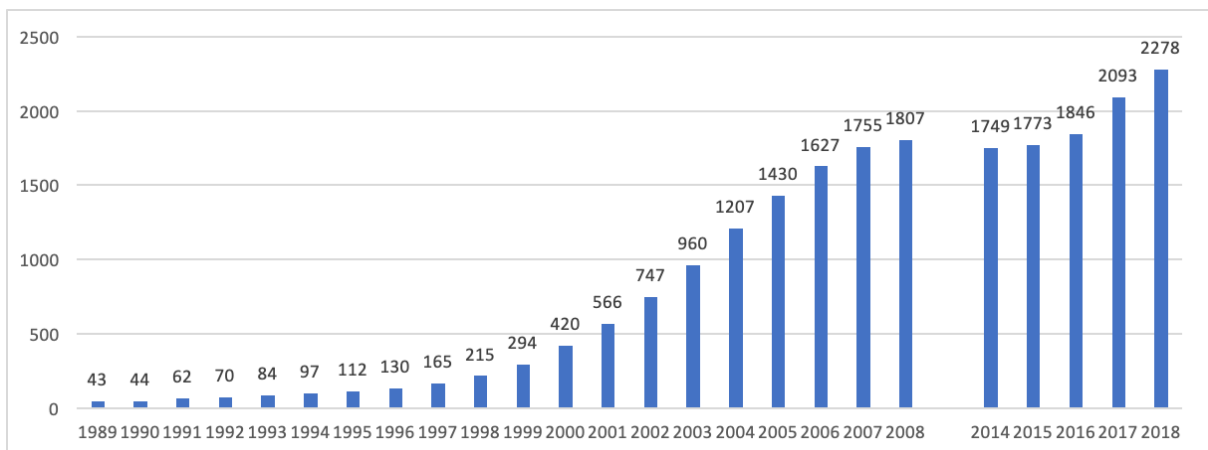


Figure 3. Total number of start-ups with university involvement. (METI 2019)

<sup>3</sup> This means both start-ups founded with university-related technology and start-ups established in cooperation with faculty and students.

## Financial Liquidity

In conjunction with such meritocratic, start-up-focused initiatives, some of the government's earlier financial market operations (quantitative easing) introduced under Abenomics also appear to have facilitated a rapid increase in start-up funding (Diamond Online 2019b). Weakness in start-up funding has historically been one reason for the lack of Silicon Valley-type start-ups in Japan (Storz 2008) and figured as a major entry barrier for entrepreneurs (Urata and Kawai 2002). During my fieldwork a decade later, VCs indicated a lack of 'good' investment opportunities and 'good' entrepreneurs as their main concerns, rather than a lack of funding.

In absolute numbers, during 2013–2019 investment in Japanese start-ups increased roughly five-fold (Fig. 4) while the number of deals increased similarly until 2018 to roughly double the amount of the pre-boom years. Such increases in venture funding capital were reflected in consistently higher valuations and increased capital raised per start-up (Initial 2020).

This potentially relates to greater financial liquidity overall (Diamond Online 2019b) due to quantitative easing measures enacted by the Bank of Japan, a part of Abenomics (Aramaki 2019). This was similarly reflected in stock market prices, which began to rise in 2013 (Fig. 5) together with the accumulated size of VCFs.

Besides such increases overall, the Japan Venture Capital Association (JVCA)<sup>4</sup> (Startup DB 2019) invokes continuous weaknesses in terms of funding sources: (1) a lack of international investment and (2) a lack of investment from large institutional investors

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<sup>4</sup> The JVCA is the largest organization of Japanese VCs which represents their interests to policymakers, large companies and institutional investors, among others.

(pension funds, insurances, etc.). The absence of international investors in particular was notable during fieldwork.

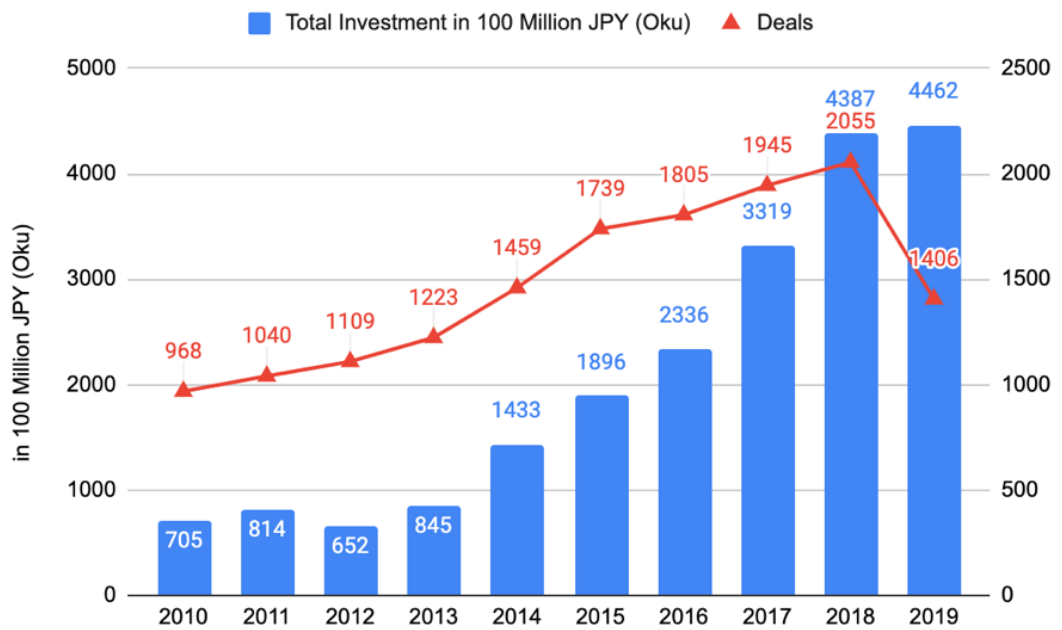


Figure 4. Total investment (in 100 million JPY) in Japanese start-ups and number of deals (investments made in start-ups) between 2010 and 2019. (Initial 2020)

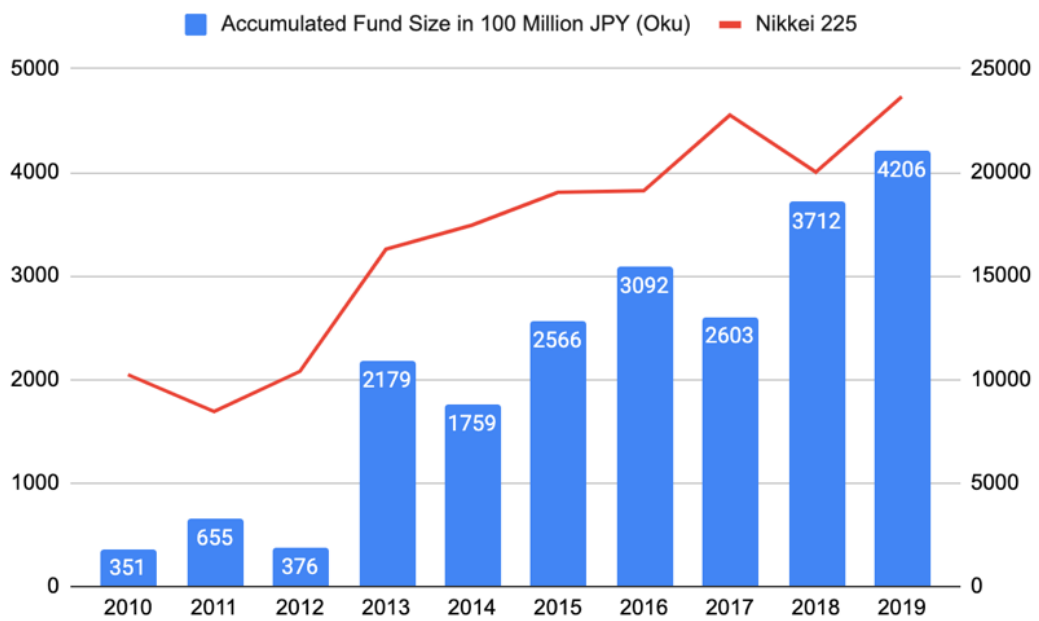


Figure 5. Accumulated total size of all new start-up-related funds raised in a particular year (in 100 million JPY) and the Nikkei 225. (Initial 2020, Macrotrends 2020)

## Liberalisation of Relational Structures

Besides start-up-focused government policies and favourable monetary conditions, the third factor of relevance actors invoked is large corporate involvement in start-up funding and business cooperation which appears as a ‘liberalisation’ of previously-closed relational structures. Explanations of such ‘opening up’ extended beyond government policy or strategic interest and invoked general uncertainty. While corporates were also involved in the third venture boom, the IT bubble, ‘this time was different’, so some in the *mura* argued. Participation in start-up investment during the IT bubble was driven by monetary gain, a fear of missing out; at present, fear for survival, of how IT might disrupt existing industries, is driving corporate investment in start-ups in Japan.

This fear as well as the conviction of some in the *mura* that now was ‘their time’ appears related to ‘Industrie 4.0’, the institutional apocalypse and job market disruption that the mix of IoT, artificial intelligence, automatisisation, and machine learning might bring about (Frey and Osborne 2017). Such prophecies of decline are not exotic, but present in mainstream Japanese discourse (e.g. Tawara 2020).

Such ‘fears’ might not necessarily become reality, but they appear as one potential explanation for the increased interest of corporates in start-ups as well as government policy in general. Symbolically, this appears captured in how major Japanese business associations such as *Keizai doyukai* or the *Keidanren*<sup>5</sup> now increasingly include start-up executives, having previously been reluctant to do so.

On 17 April 2019, the Japan Association of Corporate Executives (*Keizai Doyukai*) admitted six executives of start-up companies that had recently been listed on the stock

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<sup>5</sup> The younger counterpart to these organisations is JANE (Japan Association of the New Economy) which is led by relatively ‘new’ companies such as Rakuten (1997) or CyberAgent (1998).

market as members (Keizai Doyukai 2019). Admitting comparably young executives of up-and-coming start-ups marks a change in the organisation's usual membership, which was more large-corporate orientated (Tamura 2019). The organisation also introduced a new 'nomination' policy with the aim of further increasing the number of start-up executives. The policy allows its members to invite other executives of companies which have at least 10 Oku JPY (around 9.3 Million USD) in yearly revenue.

In a comparable move, *Keidanren* lowered its minimum net asset requirement for members from more than 10 Oku JPY (around 9.3 Million USD) to a tenth of the original sum (more than 1 Oku JPY, around 0.93 Million USD) in November 2018. The organisation has since then accepted the start-up and 'flea market' app provider, Mericari, as a member. Its chairman has further expressed the wish to diversify the organisation's membership, which mainly consists of large traditional corporates. This can be done by increasing the number of start-up members and other companies, in order to become an organisation that 'truly represents the business world' (*hontō no imi de keizaikai o daihyō suru soshiki*) (Kuze 2018).

This 'opening of doors' of organisations representing the Japanese 'business establishment' appears as a significant change removing some of the 'relational' hurdles start-ups faced. The lack of participation and the closed nature of 'relational', long-standing large corporate-led purchaser-supplier relationships (Dore 2006), providing stability for those on the 'inside', had previously been mentioned as impediments to Japanese start-ups (Cole 2006). They made market entry difficult for newcomers. In an established network of relations, start-ups (*benchā*) were not only newcomers but outsiders.

Such 'relational' opening appears visible across several indicators. Open innovation (OI), for example, has increased, as indicated by a survey of the New Energy and Industrial Technology Development Organization (NEDO). 45.1% of companies evaluating their

progress in OI over the course of 10 years had perceived an increase in OI-related activities and 36.4% an increase in OI-related hiring (NEDO 2015). This trend seems to have continued over the last few years as collaboration between start-ups and large companies (both private and public) continuously have increased (Fig. 6). Corporates are the most common of all start-up investors and also increasingly involved in start-up acquisitions (Initial 2020).

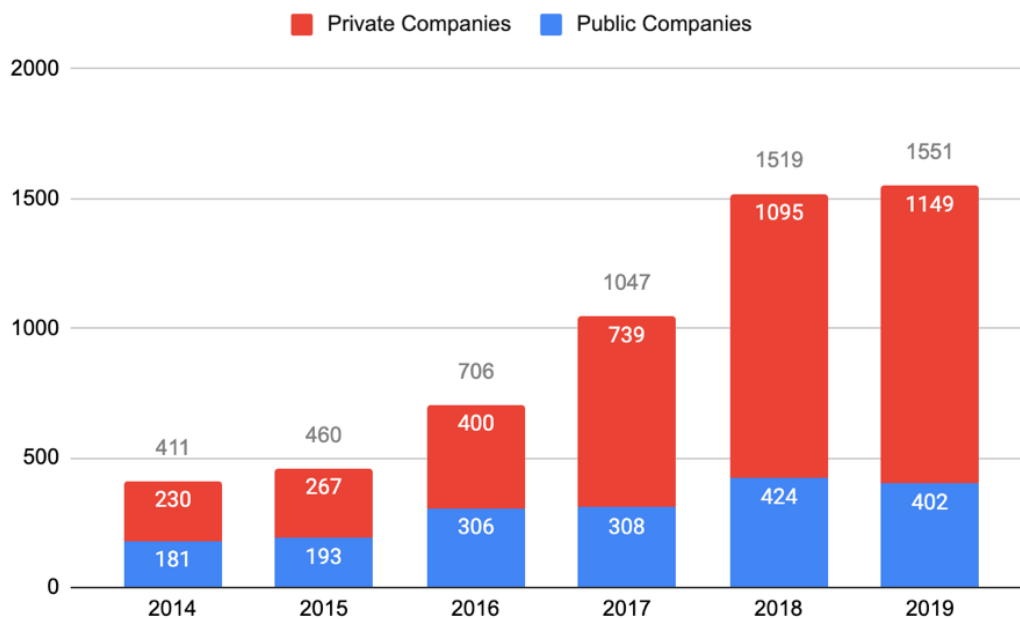


Figure 6. Collaborations between start-ups and private as well as public companies. This includes business partnerships, project-based collaborations, as well as investment and business partnerships based on press releases. (Initial 2020)

### 3.2 Personal ‘Freedom’ and Malleable structure

The structural factors start-up actors (as well as business magazines and newspapers) invoke to explain what made the *mura* emerge are in a sense ‘neoliberalist’, as they are focused on market creation in particular. Start-up-focused government policy revolves around selective meritocratic initiatives which reward ‘the best’ (universities, start-ups, etc.). Market-focused monetary policies likely facilitated overall increases in start-up funding which created the

‘right’ conditions, and this was further accommodated by a ‘liberalisation’ of ‘relational’ ties on an institutional level concerning large corporate involvement and membership in business lobbying organisations (the remaining factor, the role previous entrepreneurs and mentors played, is discussed in Chapter Four).

Such structural liberalisation appears mirrored on a personal level, but not necessarily with the same focus on the ‘political’. When analysed on a policy level, the *mura* might be an uncertain environment, a start-up market that through meritocratic struggle and competition produces the next ‘unicorn’ — a place where few succeed and many fail. On the level of personal experience, though, people link the freedom to create start-ups with the *hanayaka* freedom to be ‘who they are’, something they can’t realise in the bureaucratic ‘large corporate’.

A comparable search for freedom and an escape from the mainstream of corporate employment appears to motivate in part other groups of young Japanese to engage in alternative lifestyles (Genda 2006, Cook 2013), or join new religious organisations such as Aum Shinrikyō in the 1990s (Reader 1996, 2000). What appears to link all such cases is the hope that lies in being different from the ‘mainstream’, what in the frame of the *mura* was the promise of malleable structure. Malleable structure appears to symbolise ‘difference’ from what one knows due to its emergent and experimental characteristics. Although the *mura* is embedded firmly within capitalist structures, which differentiates it from religious organisations or alternative lifestyles, neoliberal market making creates ‘new’ environments, start-ups which similarly harbour the promise of alternatives to ‘pre-determined’ mainstream paths. Actors often described the experience of such malleable structure in terms of what one could call *hanayaka* freedom, the affective, physical sensation of liberation. This is fulfilling and seems to ‘outweigh’ the threat of failure or the severe competitive struggle building a start-up entailed.

The positive affective weight attached to *hanayaka* freedom is of importance going forward and becomes interlinked with the ability to affect the near future. Its affective dimensions appear best visible in informal backstage statements. Comparable statements that positively invoke *hanayaka* freedom are typical for both the frontstage and backstage, although the amount of personal information shared might be reduced in frontstage settings.

For Misako, who had studied and worked outside of Japan, fitting into what she perceived as Japanese business- and gender-role expectations which regulated bodily appearance, movement, and interaction with the world was not who she was. The start-up was a place where she could negotiate against such tiring constraints because its structures were ‘loose’ and emergent. This did not mean that there were no constraints regarding role expectations in the start-up but that, as an employee, the negotiating power she had was greater:

I was absolutely sure I could not work in large corporates. Because it’s Japan, this is particularly true. [...] [The start-up] wanted to go global but did not know how. They needed someone like me who had seen the world outside of Japan. Even if I did something slightly outlaw, [the response would be] ‘it’s ok as Misako has to do global expansion’. Instead of being told, ‘you don’t know how to write a Japanese e-mail’, ‘how to answer the phone’, ‘how to exchange business cards’, I could say: ‘I don’t do that, I only deal with international matters.’

While Misako had not worked in a large corporate, a similar sentiment was echoed by Okada, who after a stellar managerial career at Lomerate, Corp. quit his regular employment and became a (non-venture-capital-funded) entrepreneur in Fukuoka Prefecture in his early thirties. While Okada’s type of start-up is not the focus of this thesis, the problems and the conflict he described are similar. Not being able to work in the way he wished led to physical discomfort:

I actually have ADHD (attention deficit hyperactivity disorder) [...] I can’t concentrate for a long time on one thing. [...] I want to simultaneously have five, six or seven, many, all types of projects in my head otherwise my body doesn’t feel energised (*sukkiri*). [...] To be honest the working style in large corporates really did

not satisfy me; I felt like, ‘let me do more of what I want to do!’ I did not think of [ADHD] as a disability; on the contrary, I thought I suited a start-up.

Quitting his employment and leaving these constraints behind to engage with malleable structure meant for Okada a sense of relief that related to being who he was:

[After quitting my employment] I felt amazingly relieved (*raku*). I tell people around me without hesitation, ‘this is the type of human I am’ (*watashi wa kou iu ningen*). It became possible for me to exist as I am (*su de iru*) without hiding anything.

These brief statements appear to indicate the liberating experience, the physical and identity-related comforts that the malleable structure of start-ups afforded actors. People made such comments in contrast to what else they could do under the impression of lost decades, a long run of slow decline, which made working in large corporates (or affiliated companies) appear undesirable. Rather than simply embrace neoliberal market making, they negotiated their set of life chances to the best of their knowledge. The *mura*’s malleable structure or ‘difference’ might be uncertain and the product of policies empowering a high risk, high failure market of ventures, but it also allows for hope and change. This experience of freedom is of central importance going forward. It becomes translated into particular *hanayaka* anti-bureaucratic ideals which I will outline in the sections that follow.

### The Ideals of *Hanayaka* Freedom

As previously outlined, individual freedom experienced as *hanayaka* freedom and wanting to ‘restore’ or ‘rebuild’ economic structures which appear caught in a long-term stagnant decline are central themes that people invoked when they explained why they were in the *mura*. Although collected in backstage settings, these were explanations people similarly repeated in frontstage contexts. They appear to indicate a collective discourse, at times

indicating a sense of shared identity. Several aspects inform the *hanayaka* freedom people experienced in the *mura* which relate to malleable structure and ‘building the future’.

Firstly, *mura* start-ups enable creativity and individual freedom as they have *supīdo* (speed). *Supīdo* means the ‘immediacy’ that the absence of bureaucratic structures and regulations enables. Instead of long-winded, formalised deliberation one can act ‘now’ and obtain immediate feedback regarding one’s actions (products, services, etc.). Instead of waiting for the ‘long-run’ to play out, such immediacy means one can actively engage with the near future.

As already outlined, the most common way in which start-up actors explained *supīdo* is again in relation to their choice of working in a start-up as opposed to working in a large Japanese corporate (*dai kigyō*). *Supīdo*, for example, enables start-ups to build new structures and compete against ‘old’ large corporates, as Kimura, a founder of a growth stage start-up, explained as a frontstage student event speaker:

Compete with *supīdo* (*supīdo de shōbu suru*) [...] Large corporates don’t immediately invest [in a new project]; [we are] taking on more risk than they do; they don’t go to the limit when they compete (*omoikiri shōbu shinai*), it’s *supīdo*, it shocks (*bibitto suru*) your competitors.

*Supīdo* is important: one shouldn’t let ‘*supīdo* decrease’ (*supīdo ga ochiru*). *Supīdo* is also a collective characteristic, e.g. ‘the engineers’ *supīdo*’ (*enjinia no supīdo*). There is the ‘feeling of *supīdo*’ (*supīdokan*), there are ‘*supīdī* recruitment’ (*saiyō mo supīdi*) processes, and excessive bureaucratic processes mean that one ‘wastes *supīdo*’ (*supīdo ga mottainai*), etc.

*Supīdo* enables *seichō* (growth). This means not simply economic growth but growth as an organic notion that links economic growth, the individual, the company, and the near future. *Supīdo* provides people with ‘*seichō* chances’ (*seichō kikai*), and creates ‘environments where one can grow’ (*seichō ga dekiru kankyō*), where people also ‘grew’

(*seichō shiteta*) or their ‘growth stopped’ (*seichō tomatta*). On an organisational level, the ‘company’s growth is also important’ (*kaisha no seichō mo daijidashi*), and this is influenced by ‘revenue growth’ (*uriage seichō*). The growth of individuals also influences collective growth as, for instance, a founder’s ‘life experience directly links to the company’s development [potential]’ (*jinsei no keiken wa masani kaisha no hatten ni tsunagaru*).

There are then broadly two dimensions of *seichō*: ‘individual *seichō*’ (*kojin no seichō*) and ‘company *seichō*’ (*kaisha no seichō*) or collective *seichō*. Individual *seichō* is often linked to *ōnashippu*, the joy and perks of ‘doing’ (*youtu*), ‘creating’ (*kurieto suru*), and ‘building’ (*tsukuru*) in manners which affect the near future, and collective *seichō* becomes linked to *shakai kadai kaiketsu* (social problem solving). A start-up grows to ‘solve problems’ (*mondai kaiketsu*) in accordance with ‘social ethics’ (*shakaiteki rinri*), and collective *seichō* can be achieved by solving such problems in the near future. Conversely, economic growth becomes also interpreted as the ‘just’ reflection of a start-up’s ‘society-focus’ (*shakai no tame*).

In the following sections I will further outline *supīdo*’s links to *ōnashippu* and *shakai kadai kaiketsu*. Then I describe the other side of *hanayaka* freedom, the consequences of malleable structure. While malleable structure for many appears as something positive, something which can create potential economic alternatives to a faltering model, it also conjures problems within the context of high-growth start-ups. The absence of well-established regulating mechanisms and structures often means disorganisation, a state where one does not know who is doing what, fosters an overly strong focus on doing instead of deliberating, and encourages dependency on the subjective judgements of those in superior hierarchical positions. To realise *supīdo*, many are willing to accept a strictly top-down based model without much counterweight to executive power. *Supīdo* can empower anti-

democratic arguments because egalitarian processes, labour unions, common guidelines, etc. appear ‘too slow’.

### *Ōnashippu* (Ownership)

To survive in an era of sudden change one needs to have *supīdo*, i.e. be flexible and fast-moving. *Supīdo* means immediacy, a business not slowed down by bureaucracy or unnecessary deliberation, and this enables *ōnashippu* (ownership). *Ōnashippu* becomes mostly invoked to describe the personal enjoyment that stems from responsibility, from affecting the near future through ‘doing’ (*varu*), ‘building’ (*tsukuru*), or ‘creating’ (*kurieto*), either alone or as a team. (At times, people also used the Japanese term *tōjisha ishiki*). One can ‘give others *ōnashippu*’ (*ōnashippu watashitai*), there are companies with ‘high (lit. strong) *ōnashippu*’ (*ōnashippu ga tsuyoi kaisha*) and there are also people such as ‘founders high (lit. strong) in *ōnashippu*’ (*ōnashippu ga tsuyoi founder*).

The importance assigned to *ōnashippu* was visible in informal backstage statements. Sakurai, a computer engineer who had worked for two start-ups after working at a large telecommunications provider, described his decision to switch to start-ups in reference to the structural hurdles hindering *ōnashippu* in large corporates:

There are a lot of processes and the decision making is slow [in large corporates]. When you want to create a new feature in start-ups you just make the feature and deploy it. When I worked at large corporates, I needed to get the approval of people five ranks above me, higher than my boss’ boss. If everyone doesn’t agree, we can’t do a [feature] release.

In addition to such hierarchical elements that Sakurai perceived as *ōnashippu* hindrances, the tools he had at his disposal were similarly lacking:

In terms of engineering environment, it’s also not work friendly (*hatarakinikui*). I prefer a MacBook [which I don’t get there]. There are not many people who are burning to do business, who want to *do* something. [...] Even if you work carelessly

the wheel keeps on turning, [and] this didn't fit me. [...] there are no technological updates, though [their] technology was amazing a long time ago, [now] people in high positions who are older often lack understanding [regarding technology].

For Sakurai, the start-up offered *ōnashippu*, which related to *supīdo*:

It's not like all start-ups are doing this well, but there are many possibilities to provide value, where you can raise your hand [to volunteer] and create. [...] in large corporates mistakes are not tolerated, that's why there is a lot of checking to avoid mistakes; in start-ups mistakes are allowed to a certain degree, that's why you can develop with *supīdo*.

*Ōnashippu* also plays a role for non-engineers. Keiko, who had worked in a large IT company and a start-up, describes the 'creative' (*kurieitibu*) as emerging from a sense of direct immediate link between what one does and who it benefits. This she felt was lacking in the large corporate where routine and overwork hindered such connection:

I wanted to do more creative work. [In the large corporate] I worked in the corporate sales department. I was in charge of 200 customers. I did everything from sales to contract termination on my own, there was a lot of overtime. [...] Once I became aware of what the customer wished to do, I was too busy, I could only react to a certain extent, the things I was doing became routine work. [...] [In the start-up] my range of responsibilities got greater, so I can control the direction [of my work], I can work creatively, I am really in an environment where I can make a service better. [In a large corporate] when I think 'doing it like that is better for sure', I have to go step by step to confirm, [...] that's been a great deal of stress for me. In a start-up when I think 'it's better to do it like this' I can just tell [the CEO]. That's fun, that is my *yarigai* [raison d'être], it's my motivation.

Through *ōnashippu* one can challenge oneself and grow, and experience personal *seichō*.

This was not simply an ideal. During my fieldwork, for example, it was not unusual for me to encounter start-up employees who worked as programmers but did not have an academic programming background. Start-ups offer the chance to assume *ōnashippu* and make mistakes. People can immediately achieve an engineering, sales, marketing, etc. specialisation regardless of who they might have been 'before', their 'unorthodox' academic backgrounds, or lack of experience. Fujimoto, who had worked for several years as an employee in a start-up and was about to establish his own company, described this as follows:

I thought [the start-up] is more suitable than the large corporate. Because of the skills I learned in university — I studied economics at Keio [University] — I couldn't program. I felt [the start-up team] was amazingly talented, people on a level I hadn't yet seen among my peers [...] I felt that, rather than going to a large corporate, here I can catch up faster.

The *hanayaka* ideal of *ōnashippu* then describes the joy that comes from affecting the near future through creating, doing, and building without structural or bureaucratic hurdles and 'suffocating' standards. This leads to a heightened sense of individual agency and personal influence (on the product, other people, the start-up, etc.). Besides enjoyment this also means additional responsibility and the chance to learn and advance one's career due to such responsibility.

### *Shakai Kadai Kaiketsu*

Besides *ōnashippu*, *supīdo* enables an altruistic *seichō* dimension: *Shakai kadai kaiketsu*, the solving of societal problems. This notion invokes *supīdo* as a state which allows for meaningful changes in the near future beneficial to society or the world at large. *Shakai kadai kaiketsu* is at times only called *kadai kaiketsu* or *mondai kaiketsu*, but usually with reference to the implied social (*shakaiteki*) relevance of whatever problem a start-up tries to solve.

This social relevance and purpose of start-ups is common knowledge: 'As you know, entrepreneurs solve social problems' (*kigyōka ga social problem kaiketsu surunjyanaidesuka*). People 'chose start-ups to solve issues' (*kaiketsu shitai kadai no tame kigyō wo eranda*) as start-ups 'contribute to the solving of people's and society's problems' (*shakai ni, hito kadai kaiketsu ni yaku tatsu*). Employees further 'want to build products that solve issues' (*kadai wo kaiketsu suru purodakuto wo tsukurunoha yatetakatta*).

*Shakai kadai kaiketsu* was often invoked in reference to start-up-related problems and worries (e.g. Will the product be well received? Are we going to raise our next funding round successfully?) as what makes such worries worthwhile. This was particularly visible during frontstage settings such as the following, which was an event directed towards university students. The two well-known entrepreneurs, Kimura and Sasaki, introduced the relevance of entrepreneurship from a *shakai kadai kaiketsu* perspective.

Kimura was in his 20s and clad youthfully, wearing a T-shirt and jeans, reminiscent of others in the *mura*. Sasaki (as described in Chapter 3.1) was a bit older and also clad casually, though with slightly more formality. Both appeared accustomed to public speaking, and as their styles varied they talked differently: Sasaki with a calm but firm, sonorous voice, often sitting upright, leaning slightly back; Kimura's voice was tense, the way he talked was clear cut, at times he changed from sitting in an upright position and leaned forward, appearing almost aggressively focused on what he was trying to convey. They addressed a crowd of approximately 100 university students seated on the floor of a VCF's event space, a renovated, modern, long stretched room with black spotlights and a wooden floor in Tokyo's hip Roppongi area.

Their entrepreneurial ventures were the answers to existential questions they had asked themselves when thinking of death. For Sasaki, entrepreneurship was connected to the 'good' businesses could do by contributing to society, and this made his life worthwhile:

Why I built a company... It was fun — meeting new people, having an idea — if you don't do it, it's a waste (*mottainai*), I just had to build a company. [...] Wanting to build a company means making a societal impact; I want to be able to die knowing I did something [of relevance].

Kimura invoked the Fukushima disaster '3.11' to explain what entrepreneurship meant to him. While listening to his account I was reminded of the pictures of floating cities, of cars moving back and forth only to be swept away. In his account, entrepreneurship and the

wealth that success brought was valuable as it meant one could help others do ‘good’ amidst such a catastrophe:

While I always wanted to build a company, when I was in university 3.11 happened and I experienced how all those people died [...] Mr. Son [Masayoshi, founder of Softbank Group] then donated 100 Oku Yen [93 Million USD] [...] I also wanted to do that.

Building a start-up was in this sense a ‘noble’, altruistic act. This seemed also to inform the manner in which hardships were told. Kimura and Sasaki did not explain the hurdles they had overcome with voices seeking to evoke compassion or pity, but talked with a sense of cool distance and pride. Sasaki, for example, recounted his beginnings as follows:

[First] I built a half-finished website and just left it [...] Working from your own house is incredibly harsh (*tsurai*). You work when you wake up in the morning while brushing your teeth... It’s 24 hours of work [a day].

In the context of such altruism and meaningful challenges, working in the large corporate appeared as an empty cause. Sasaki, who had briefly worked in a large international corporate, seemed to express ‘objective’ indifference towards his experience and evaluated his employment in utilitarian terms without articulating any form of affective identification:

To increase my skills [that’s why I joined a large corporate]. I was involved in shampoo marketing but it’s always the same [...] It’s good to have a salaryman experience; being employed, [being able to understand] people in large corporates are like *that*.

Kimura, who had never been in corporate employment, shared Sasaki’s detachment: ‘I wonder why they [people working in corporates] are working so hard (*nande ganbatteruno*).’

*Shakai kadai kaiketsu* is in this sense a ‘noble’ notion. Building a product that ameliorates the lives of others in the near future justifies the hardships that founders and their teams have to master in the present. It fills their lives with a higher ‘purpose’ that extends beyond economic gain alone. The economic gains an entrepreneur such as Son Matayoshi obtains are a consequence of their social contribution, the extent to which their actions contribute to *shakai kadai kaiketsu*.

## The Backstage of *Hanayaka* Freedom

Taking into account the statements of previous sections and comparable statements made in start-up events or company-wide events, the *front stage* (and *back stage*) narrative of the *mura*, the experience malleable structure afforded can then be summarised as an environment of present challenges and hardships that can be overcome through successful creation efforts together with others (*ōnashippu*) which affect the collective near future positively through socially relevant purposes (*shakai kadai kaiketsu*). The *mura* is a network of persevering, courageously struggling people who grow (*seichō*) together on a personal, collective, and economic level by affecting the near future in ways that ‘counter’ the stagnation or slow decline captured in the narrative of lost decades.

This sense of purpose appears to endow *supīdo* with a ‘heroic’ nature, conversely visible in the critiques of the large corporate which fails to act ‘courageously’. The large corporate’s bureaucratic structures and regulations, its requirements for due process, its focus on standardisation to ensure flawless production and services as part of the process of work, as well as a part of how employees should behave and interact, were too inflexible and slow-moving to withstand sudden changes and technological disruption. It was an environment lacking in technological understanding, flexibility regarding individual needs and interests, and passion in creating, building, or doing, or so start-up actors seemed to argue.

The preference for *hanayaka* freedom in a neo-liberalistic start-up market also has consequences that appear absent in such frontstage narratives. Only few start-ups can actually live up to the ideals just outlined. Start-ups have to deal with potential failure rates that in popular understanding reach 90% (Patel 2015). Independent of the accuracy of such numbers, the potential for failure is much more real than frontstage narratives might suggest.

The factors leading to failure, e.g. limited resources, negative team dynamics, or market-timing factors (Gompers et al. 2010), are similarly omitted in such narratives.

In contrast to frontstage ideals are often the opinions and explanations of those who eventually leave to go to other larger organisations (even if only rarely to old Japanese corporates). In a sense, they provide ‘hidden’ informal backstage statements as they are already ‘outside’ the *mura*. One such group are interns. Interns often stay for several months at a start-up. They sometimes take leave from their studies if they are working full time and frequently join large organisations after their internships. Their experience in the start-up world is valuable because it provides them with insights into the professional world and competitive job seeking advantages. They also become aware of the many flaws and shortcomings start-ups have in comparison to larger, more established companies.

Arai, an intern who took a year of leave from his studies and spent one and a half years working full-time in a start-up instead, gave three reasons to explain why the start-up was not the right place for him. These were widely echoed throughout my fieldwork and provide a different perspective on *hanayaka* freedom. Arai decided to work in a start-up due to his interest in the professional world and the ability to do long term internships. Long term internships in Japan are mainly available in start-ups, whereas larger corporations offer internships lasting only 1–2 days. Such long-term internships were ‘greatly advantageous’ for job hunting, he explained. He offered the following reasons for his decision to join a large corporate instead of a start-up:

Firstly, as an organisation [the start-up] is just too chaotic. This might be okay when you already have skills, but the stance of ‘getting skills by yourself’ is not appropriate for junior-level employees.

The second reason is that there is an enormous financial aspect. If you can’t produce revenue, no matter how much we say ‘let’s try hard’ (*ganbarōze*), internally you have to eventually constrain everything just to produce revenue. That’s not fun.

The last point is that start-ups really expect culture fit. Once it’s ‘this person doesn’t fit start-ups’, this also spreads to other start-ups. In particular, it’s department heads (*buchō*) who have to deal with that. [At my level] let’s say I apply to another

start-up, then people will contact [my former boss] and when he says, ‘he tried hard, but his skills are lacking’, this will spread among the higher-ups. In large corporates, this is more objective.

In many ways, these three points can be seen as the other side of *hanayaka* freedom. The ideal large company has several positive aspects: an established business model, financial security, and processes which regulate hierarchy and employee education appear indirectly present. I will explore the following three notions further in later chapters, but it makes sense to introduce them here briefly:

(1) While *supīdo* captures the positive effects of immediacy, a focus on getting things done ‘immediately’ to compete amidst the intense meritocratic struggle of the ‘start-up market’ can lead to a lack of structure, direction and system; at worst it can lead to amateurism and an inability to perform what is legally necessary, such as appropriate accounting practices or products that are not harmful. During fieldwork at Twig, an early-stage start-up, accounting mistakes led to a loss of trust in the company’s founder and to distrust within the management team. This loss of trust seemed to motivate the team’s eventual disintegration. At Branch, a growth-stage start-up, a lack of experience with hardware manufacturing caused a PR debacle due to faulty products which could potentially harm customers. This is said to have widely impacted the company’s ability to reach its revenue goals, which several months later appeared as a central factor for the company founder’s resignation.

(2) A focus on execution over deliberation to achieve a collective *shakai kadai kaiketsu* goal or *bijon* can stifle critical discussion and inspire ‘try hard (*ganbare*) to achieve growth (*seichō*)’ slogans by founders, decision-makers and their followers, rather than proper employee education. In the start-ups I was involved in, open discussion regarding strategic issues and internal problems was muted. This frustrated employees and managers. Employees and middle managers should execute while founders and executives decide and

determine the start-up's near future. Instead of information exchange between employees 'on the ground' and 'higher ups' regarding the assumptions underlying the start-up's *bijon* and business model, *supīdī* execution was encouraged.

(3) In relation to (2), a focus on *supīdo* to master the challenges of free market competition can promote dependency on the 'subjective' decisions of superiors without recourse to argument. Rather than engaging in background checks or doing all types of market research, being introduced, and asking others for information or reference, is much quicker. While many in the start-up ecosystem aim to build and create, which usually implies a sense of individual freedom, not having structures and well-formulated governing principles means a greater dependency on those who are perceived as more trustworthy than others (in particular founders or investors). Founders are those who are 'trustworthy', as their decisions regarding the near future lead to *seichō*. To realise their *bijon*, they can assume strict control over company direction and business decisions. Only a strong top-down focus without much resistance in the form of labour unions or questioning can ensure *supīdo* and the realisation of the *bijon*, some employees and founders argued.

### 3.3 Conclusion: Malleable structure and Neoliberal Flexibility

In this chapter I have introduced Tokyo's *mura* as an assembly of different networks of people interested in working, supporting, or founding start-ups. The chapter has provided insight into the links between the broader historic and social context and the life chances people perceive, which in turn influence their expectations and understandings of trustworthiness (further discussed in subsequent chapters).

The perspectives of people in the *mura* are influenced by a historic lost-decades-perspective (low economic growth, population decline, nuclear families, etc.) which is in contrast to the *mura*'s boom (increased funding, opening of relational networks, government support)<sup>6</sup>. The 'making' of the *mura* appears as an act of neoliberal start-up market-making which creates an environment where few succeed and many fail. Despite the threat of failure, people describe working in the *mura* positively in both front- and backstage settings. This relates to malleable structure. 'Neoliberalising' reforms can create malleable structure which people in the *mura* experience as liberating due to the *supīdo* the lack of bureaucratic structures allows for. Such immediacy becomes linked to engaging actively in 'building' the near future with pro-active *ōnashippu* and altruistic *shakai kadai kaiketsu*.

To conclude, it appears relevant to return to the question of neoliberalism and the role of malleable structure. The key here seems to be malleable structure in itself, rather than its political dimension which coincides with neoliberal deregulation and the creation or improvement of a 'start-up market'. Malleable structure is not neoliberalist per se, and the question seems to be what different forms of malleable structure different kinds of policy can create, rather than limit it to deregulation or the creation of free markets alone.

However, there is a link between the experience of malleable structure and the neoliberalist discursive focus on individual freedom, the ideal of the 'enterprising self' (Rose 1992, Bröckling 2016), namely a willingness to disregard history. The 'heroic' aspects of *hanayaka* freedom appear linked to a belief in individual agency in this context. Such individual agency can be what affects the near future positively. Similarly, individual agency can also be posited as a force liberated by meritocratic struggle (be it success or failure), a

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<sup>6</sup> See the beginning of Chapter 3.2 for a detailed summary of the socio-economic factors enabling the *mura*.

force enabled by the free market. In this context, two other examples seem indicative of comparable tendencies within societal discourse and individual self-perception in Japan.

The self-perception of non-regular workers, for example, could be interpreted as reflecting an increasingly positive understanding of (neo-)liberalisation in terms of ‘freedom’ rather than uncertainty. Around a third of all female and male non-regular workers in a survey conducted by the Japan Statistics Bureau (2020) name the ability to freely regulate their time as their primary reason for non-regular employment. The inability to find regular employment ranks only second for men (18%) and fourth for women (8.6%). Between 2013 and 2019, the number of people who indicated they worked as non-regular workers because it allowed them to freely manage their time rose by 47% among male and by 29% among female non-regular workers.

If one wanted, one could then use such data to make arguments in favour of labour ‘flexibilisation’, without accounting for the experience of malleable structure as a separate phenomenon that reflects upon organisational contexts rather than the absence of broader welfare measures. This can then ‘overshadow’ how non-regular workers are still a highly precarious workforce (Allison 2013). In 2019, 38% of the total workforce were non-regular workers and around 70% of those were women. More than 80% of female non-regular workers and around 56% of male non-regular workers earned less than 2 Million JPY (18600 USD), less than half the median income (Japan Statistics Bureau 2020).

Related to such positive framing also appears the increasingly positive portrayal of non-regularity in media discourse which focuses on meritocracy and ability. This is the case with *haken shain*, employees who are distributed through work agencies to different corporates on a temporary basis. Rather than ‘inferior’ helpers who labour amidst uncertainty, in popular media these non-regular workers appear as competent all-rounders (Fu 2011). The TV drama *Haken's Dignity* portrays the heroine Haruka as a highly

competent *haken*, outperforming all regular employees in the corporates she is dispatched to, using her vast set of skill certificates covering sales, heavy machinery or seafood preparation. In popular discourse, *haken* appear not as a category one should pity but rather as the antithesis of post-war regular employment models such as the salaryman or office lady. Within corporates, the difference between female *haken* who often have ‘in demand’ skills such as English or IT and female regular employees who mostly have to perform bureaucratic office duties (*jimukei*) was particularly visible for Fu (ibid.) herself.

The ease with which such argumentative movements mixing neoliberal flexibilisation and malleable structure might be made appears also related to how actors themselves often favour positive self-definitions. In the *mura* where malleable structure is positively connotated, (as outlined in reference to *hanayaka* freedom) non-regular employees unsurprisingly also present their non-regular worker status in a positive manner. One engineer who had worked in a *jitan*<sup>7</sup> position explained that working as a *jitan* employee meant he obtained the social benefits a regular employee received while only having to come to work 2 to 3 times per week. The things he wanted to do ‘had become bigger and bigger’, which motivated him to do freelancing, though ‘it didn’t make much money’ (*okane ni naranai*). Another engineer who had already worked for several years as a non-regular employee similarly stressed his conscious decision to do so. He focused on the value of independence and explained his aversion to company meetings, which enforced ‘family thought’ (*famirī shikō*), an aversion all engineers shared, in his opinion. As a non-regular employee, he was exempt from such meetings. When asked regarding such opinions, a regular employee-type engineer indicated understanding but also pointed out what such narratives obscured: being ‘non-regular’ might be ‘psychologically comfortable’

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<sup>7</sup> *Jitan* consists of the kanji of time and short (時短).

(*seishintekini raku*), but he would always prefer being a regular full-time employee because decision making, internal advancement, and management positions were things mainly accessible to regular full-time employees.

There is then malleable structure in the *mura* which affords a liberating experience, and there is the interlinked discursive notion of neoliberal ‘flexibility’ or ‘flexibilisation’ that becomes employed to ‘positively’ frame particular experiences and types of employment in terms of ‘freedom’. ‘Flexible’ employment, though, despite such positive framing also comes with lower-average social security benefits, lower job security, and lower average salaries.

People in the *mura* and other Japanese were, though, not simply ‘fooled’ by the language of ‘liberalisation’; they were aware of the problems they faced and struggled with, as I will outline in the following chapters. In frontstage settings, though, they likely opted to embrace discursive selves that stressed their agency and ability to direct their lives, rather than the uncertainty that pervaded it. In the case of the *mura*’s frontstage narratives, this could be summarised as a choice: ‘Wouldn’t we rather be free and enterprising individuals who enjoy affecting the near future by creating what is socially meaningful than people who labour amidst uncertainty?’

## Chapter 4: Pitches, Possibility, and Probability

As outlined in the previous chapter, people in the *mura* focus on influencing the near future in socially meaningful ways. The presence of such narrative structures, both in the *mura* in general and in particular start-ups (as will be explored further in later chapters), appears linked to an early-stage fundraising process which, for some start-up investors, similarly revolved around the continuous (and often unwavering) projection and performance of a frontstage narrative through a pitch (*pitchi*). Such pitches revolve around changing the near future through *shakai kadai kaiketsu* and individual agency, which also figures prominently in *ōnashippu*. This chapter thus explores the connection of the emic collective concepts introduced in chapter three with ‘trust-building’ practices, concepts, and performances observed during seed stage fundraising processes in particular (objective 3). As in chapter 3, the role of the future and uncertainty is in focus (objective 1). This chapter focuses in particular on how pitching and the bonding efforts of VCs and founders appear caught between possibility/probability (further explained below). Such bonding efforts and norms are directly relevant for some of the organisational norms and conflicts explored in subsequent chapters (objective 4; interrelations between VC organisations and start-ups).

Pitches are narratives that incorporate what Beckert calls ‘fictional expectations’ (2016: 11f) in the context of economic theories. These expectations are not simply performative, such as self-fulfilling prophecies that become true as one acts while believing in them. fictional expectations are rather necessary presuppositions for the occurrence of economic activity in itself (e.g. the belief in the value of money). This relates to Knightian (1921) uncertainty, the limits of stochastic predictability within an essentially unpredictable world. Actors coordinate their present economic activities following such convictions. There

is a similarity between ‘make-believe’ and such fictional expectations, but they differ in their frame. Make-believe are the kind of claims children make during play, such as when they turn a wooden stick into a sword, or which we accept when engaging with literature or a painting. They are true within the frame of the narrative or the artwork but they are not ‘accurate representations of events’ (Beckert 2016: 71). Instead, the fictional expectation has credibility which is based on ‘deliberation and calculation, but also [...] habit, assumption, ignorance, prejudice, and so forth’ (ibid.). Credibility is thus difficult to achieve, as Beckert (ibid.) notes, and people need to be convinced that the claim made will come true in the future. fictional expectations are in this sense inherently fragile and subject to doubt arising from conflicting imaginaries.

Of relevance here, then, is that the appeal and functionality of the pitch initially lies in the quality of its predictive claim. It is valuable because it offers a ‘clear path’ for everyone willing to accept the argument the presenter makes. This makes pitches comparable also to divination processes, as they similarly revolve around a ‘hermeneutics of disclosure’ (David Reason in Zeitlyn 2012: 539). In both divination and pitching a truth-teller sets out to clarify what is uncertain. The future that appears murky and difficult to order assumes a ‘concrete’ form due to the actions of the truth teller and allows people to act accordingly.

Needless to say, there are differences in the techniques applied to derive such insights as well as in the nature of such insights. Pitches aim to trace current societal developments (market, societal, and technological trends) and lay out in an argumentative manner why such trends will eventually create the conditions for the business idea proposed. Divination mostly preoccupies itself with the potential outcomes of personal issues such as the healing of illness, the whereabouts of a thief, the cause of personal problems, etc. The

answers to such questions are often not performed as the consequence of collective trend tracing but as the result of divinatory techniques.

Divination usually revolves around telling others about their fate or destiny, how forces greater than oneself have laid out the future. The pitch, on the other hand, is promethean in nature and implies that the truth teller will make their proclamation come true, (mostly) through individual agency. While one perspective presents the near future as predetermined by higher forces, the other focuses strongly on how the collective shapes the future and how the individual might be part of such shaping. These are then two narratives posited on different poles of near future engagement: 1) a pre-determined path that can be revealed or 2) something inherently malleable 'made' by the individual. Both are directed against uncertainty. A focus on human agency (as analysed further in later chapters) can, like believing in fate, assume a transcendental dimension and result in ideologies that posit control over the near future through individual agency.

The pitch as a fictional expectation is not simply characterised by its rational argument or discursive claims, but also by the manner in which it becomes performed and how such performance links investors and founder. In this context, two reflective modes of near future engagement play a role: probability and possibility. Appadurai (2013: 285ff) defines these terms under the influence of class conflict in contemporary Mumbai as related to an 'ethics of possibility' and an 'ethics of probability'. The ethics of possibility are 'those ways of thinking, feeling, and acting that increase the horizons of hope, that expand the field of the imagination, that produce greater equity [...] to aspire, and that widen the field of informed, creative, and critical citizenship' (2013: 295). Conversely, the ethics of probability are 'the capillary dangers of modern regimes of diagnosis, counting, and accounting [...] generally tied to the growth of a casino capitalism which profits from catastrophe and tends to bet on disaster' (ibid.).

The contrast important in the following sections is how belief in possibility describes commitment and dedication to one particular near future version or ideal, while probability instead entails a more technical approach that revolves around the maximisation of profit. Possibility in this sense includes the altruistic idealism of *shakai kadai kaiketsu* as well as the utopian *bijon* founders might promote. Probability is a more pragmatic and calculative mode of engagement. It describes an actor's readiness to switch between different options to maximise one's future gain.

Possibility and probability further appear as different modes of reflecting on the near future, often independent of the class struggles Appadurai (ibid.) outlines. The pitch performance, for example, is linked to the *hanayaka*, anti-bureaucratic *mura*. Despite its probabilistic and argumentative fictional expectations, the presentation of the pitch revolves around convincing, which often means affective and embodied projecting of possibility. VCs similarly invoke the language of possibility in frontstage contexts to explain why they like entrepreneurship and why they became investors. This is often in contrast to their probabilistic business models and 'selection' logic.

This 'selection' power of VCs often surfaces in the critiques of founders. Seed stage funding in the *mura* appears in this sense as a 'rite of passage' (Turner 1967), a process that makes founders out of students or young adults. It also appears as the first structural 'infringement' upon *hanayaka* possibility. Seed VCs managing investment funds and individual investors (so-called angel investors) are those who can make the 'first pick', who select which pitches might become realities. Their investment allows young adults to found companies, while later investors add to what has already been established. For founders probabilistic selection entails continuous dependency on VCs and they frequently criticise them.

Despite such critiques regarding the probabilistic actions of VCs, practically the use of probability is also common among founders. The frequently applied ‘logic’ of conversion rates, for example, demonstrates this. Conversion rates are well-known measures reflective of how many founders in the *mura* engage in internet-based businesses.<sup>8</sup> In digital advertising, for example, the logic of conversion rates means the more users (or ‘leads’) one reaches, the more people will download one’s app or buy a product, assuming a steady ‘conversion’ from ad-viewer to paying customer.

Many in the *mura* apply a similar logic both to their start-ups and ‘real’ life. The more people one attracts, the more people one meets, the more likely one is to obtain support for the possibility one promotes. New information, new connections, etc. make it more likely to succeed as a founder. To maximise their ‘connectivity’ and their probability of success, those aiming to join or found start-ups join VCFs as interns to build connections and consequently obtain investment from the funds in which they have interned. Similarly, working as an unpaid staff member in pitching events is something ‘valuable’ because one gains connections that can lead to potential investment, employment, or other support. VC events similarly apply this logic and make commercial use of the *hanayaka* for promotion and marketing efforts to maximise the number of event attendants. It is usually the language of possibility — how entrepreneurship is fundamentally a force for the ‘greater good’, for *shakai kadai kaiketsu* — which people invoke to then justify such strategic efforts, rather than refer to their economic interests.

In the following sections I first outline how possibility is closer to idealism (*shakai kadai kaiketsu*) or utopianism, while probability is a more speculative attitude open to pragmatically prioritising ‘what sells’. The tension between these positions is visible in the

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<sup>8</sup> The majority of founders in their 10s/20s (80%), 30s (60.7%), and 40s (68%) built IT start-ups according to a recent survey of mostly venture-capital-funded entrepreneurs (VEC 2019).

dependency of founders on VCs (seed and later stages as well) which is often not to a founder's liking. VCs are those who 'just talk' as they practice probability by selecting, and criticising, founders. Founders and their teams are those who 'do', as it is their labour which affects the near future and 'builds' possibilities.

I will then comment on how 'excessive' probabilistic attraction is framed as threatening idealistic *shakai kadai kaiketsu*. The 'right' founders or VCs have to follow the 'right' goals. Attraction efforts can, though, become 'excessive' when one prioritises attraction probability — one's ability to attract others who are potentially useful to one's purposes — over social ideals. Instead, a trustworthy business should be all about *shakai kadai kaiketsu*-related matters. One way in which such critiques can be understood is in reference to the commercialisation of *hanayaka* through *iketerukan*, or 'coolness', which the VCF New Venture uses to attract event participants to its main event, *Entrance*. To maximise *iketerukan* the main organiser, a young founder himself, insists on inviting entertaining, well-known event participants, independent of the wishes of his co-organisers for a thematic focus on 'socially relevant' topics.

In the final part I focus on the affective and embodied elements that the projection of possibility, of a near future *bijon*, through pitches entails. Such embodied modes of performance appear for some in contrast to 'distant' and 'cerebral' techniques of forecasting and projection but for others they seem intertwined. This is particularly visible in the context of seed venture capital funding. Some seed VCs are strongly focused on 'investing in the person'. The 'right' founder is someone characterised by dedication-related notions (*kiai*, *gattsu*, *genki*), which describe how they present themselves in intersubjective settings. To engage with the requirements of such pitches, founders construct narratives in a strategic manner. 'Everyone, though, can learn how to construct a narrative', so some argue. This is why, rather than fictional expectations alone (strategy, business model, product *bijon*, etc.),

the founder's character — the performance and embodied element of their frontstage presentations — must be taken into account. Particularly in the context of pitch and investment opportunity analysis, the present, affective embodiment of possibility by 'real' founders and the uncertain but probable fictional expectation of the pitch leads to conflicts that relate to different attitudes towards possibility as well as the breakdown or limitation of conventional theories and methods of calculation.

#### 4.1 Investing to Empower the 'Right' Values

VCs describe investing, firstly, as an act of financial solidarity and founder education to realise *shakai kadai kaiketsu* and, secondly, justify the wealth obtained in the process by reference to *shakai kadai kaiketsu*. As they 'empower' the 'right' idealistic possibilities, their calculative, probabilistic returns are 'deserved' or 'just'. This is largely a position that also drives neoliberal market making, which posits that free markets are inherently just and efficient and reward those who contribute the most. As outlined in the previous chapter, these assumptions have been extensively critiqued (Harvey 2005) and connotated with social disparity and precarity (e.g. Petras and Veltmeyer 2016, Ong 2006, Cahill and Konings 2017). For *mura* VCs, though, the realisation of 'just' returns is an ethical imperative they have to realise rather than a 'given'. Markets function not simply due to regulation or government oversight but because they as VCs enact their role properly.

*Shakai kadai kaiketsu* is, then, what in frontstage narratives attracts them and what makes them want to support possibility, the hopes and dreams of founders. Independent of stage involvement, they explain their actions as focused on the intersubjective aspects of

investment: how investment is an act of financial solidarity and young-founder education with *shakai kadai kaiketsu* in mind.

While VCs understand their roles in such ways, their self-characterisation is often in contrast to the perceptions of founders, who stress indebtedness to those who invest ‘first’, those who ‘make’ them, but often comment negatively on their continuous dependence on venture capital. This aversion appears related to the systemic pressures that founders face. These are pressures VCs embody due to their selection authority. While VCs, in this sense, understand themselves as those who support possibility, founders perceive them as hurdles hindering the realisation of pitches due to their gatekeeper role.

To allow for a better understanding, I will briefly outline what VCs do, which from a practical perspective is firmly anchored within the world of calculative probability and maximal return on investment (ROI). VCs generally manage funds which (usually) consist partly of their own money but mostly of money raised from institutional investors and wealthy individuals. VCFs usually have a predetermined liquidation period (5–10 years), after which fund investors obtain fund returns. To obtain such fund returns, a VC first has to find start-ups to invest in, buy shares, and later sell such shares at a higher price. This ideally happens once companies ‘go public’ on the stock market (IPO) or are acquired by other companies.

In some cases, a VC resells their shares to another VC or investor in later start-up funding rounds. To convince investors that they should invest in VCFs, meaning in start-ups rather than in the stock market, real estate, etc., they have to promise competitive returns. VCs further have to differentiate their services from, for example, a bank that loans money to an SME and charges a certain amount of interest. Instead of bank loans to ‘conservative’ businesses (restaurants, hotels, shops, etc.), VCs promise high returns from investments in disruptive, risky, high-growth start-ups. They take risks which more conservative investors

avoid. venture-capital-funded start-ups are then those which can potentially fulfil such high-growth expectations through their pitch proposals (which often revolve around market disruption or the creation of new markets). The business propositions of start-ups are prone to fail, for market creation and disruption are uncertain and far from easy. The potential market that start-ups can capture if their ideas work out is, though, huge, which in the event of success is also reflected in the overall start-up value and thus the fund return of VCs ideally making up for all start-up ‘failures’ that occur in the process.

Social capital — the goodwill inherent in the fabric of social relations mobilised by an actor when help is needed (Adler and Kwon 2002) — is a large part of a VC’s ability to excel in their profession. One wouldn’t want to accept investment from just anyone, nor would investors want to invest in ‘unethical’ funds. VCs help each other by investing together, or by introducing start-ups that do not fit their own focus to other VCs, in the hope of such introductions being returned. Introductions could only be made to a ‘person with many connections’ (*tsunagari ga ōi hito*), as the venture capital associate Endo explained to me. This usually means someone with a good reputation.

The use of social capital is best visible in what Shibata, a senior VC of the seed and early-stage fund IT Capital, recounted to me. Through a short café or restaurant meeting with a successful entrepreneur-turned-angel-investor (individual start-up investor), Shibata was able to secure substantial investment. The angel investor did not require much information, but completely trusted Shibata’s judgement. Once the VC sourced an investment that suited the angel’s taste, the conversation between the two could be as brief as follows:

Angel: ‘So, how much do you need?’

Shibata: ‘15 Million Yen.’ [approx. 139,500 USD]

Angel: ‘There you go (*dōzo*).’

While the business model of VCs, then, revolves around economic growth, and while their competitiveness depends on the ability to discern and support start-ups that can deliver such growth, their success also depends on social connection. The way VCs negotiate such connection, their sense of shared identity, extends beyond the utilitarian language of fund return and probability alone. As already mentioned, they rather present and identify themselves as driven by considerations for ‘the greater good’ realised through possibility. This justifies the wealth that founders and VCs obtain in the process of investing and venture building as Ueda, a junior corporate VC (CVC) in his late twenties, argued during an interview:

Entrepreneurs solve social problems — that excited me, I want to interact (*kakawaritai*) with such people, support (*shien*) them. I like being an investor as I can be generous (*kan'yō*) in many ways, empower all types of people [...] Exiting [a start-up], becoming rich (*okanemochi*), getting paid millions (*oku*); if you see it from the other side, people who exited like that are recognised in numbers for solving society’s problems (*shakai kaidai*). However, I would not invest in a founder [who is primarily driven by money].

In the same manner as such ‘ethical’ purpose appears to extend beyond the probabilistic generation of returns, seed VCs value the act of ‘selection’, or founder making. Rather than investing with others at an early stage, a seed VC’s real purpose is discovery, being the ones to first recognise and empower a start-up founder in the face of early stage start-up uncertainty, as Shibata, a senior VC of IT Capital, argued during a formal backstage dinner following a pitch event. Shibata was sitting next to Miyamoto, a young associate many years his junior:

‘You should invest in a company that’s just a piece of paper (*kami ichimai*),’ he remarked, audible to most others present. Miyamoto nodded his head, gazing at the wall opposite while listening.

A few minutes later, the participants had changed seats and I sat next to Shibata. Miyamoto, he repeated, needed to develop further. I had met Miyamoto before and remarked that I thought that his investment in a well-known start-up was a good one.

Shibata agreed that the investment in the start-up mentioned was good, but for him, it was not about whether the investment was good or not, Miyamoto had

invested at a stage when others were already involved. A ‘real’ seed VC needed to select an idea before anyone else, he concluded.

As in the case of *shakai kadai kaiketsu*, Shibata argued that seed-stage VCs should not only simply generate probabilistic returns and aim at maximum profit. In addition to contributing to the ‘greater good’ by selecting a socially valuable idea, they act courageously by investing in an idea in which no one else has invested. They embrace possibility by siding with someone whose concepts or plans have not yet been recognised, and risk failure. Seed-stage investing necessitates a leap of faith: if seed VCs are the first to invest they cannot rely on others to justify a false decision.

Such acts of ‘making’, of empowering possibility, can lead to intense personal involvement in the founder’s ‘guidance’ from the VC’s side. While not always the case, one example of this is how Nakagawa, a seed VCF partner, regularly interacted with Kenji, a founder in his early 20s and a former fund intern. Kenji had quit his university studies to found his start-up. Nakagawa, normally a ‘hands-off’ investor who does not get involved in his investments, was the first to invest in Kenji’s start-up and introduced him to the world of entrepreneurship. This seemed to underlie the obligation he expressed towards the young founder: ‘Kenji is cute (*kawaii*) [*laughing*], I wish for Kenji to try hard [...] I want to do everything right (*chanto shiteagetai*) [for Kenji].’

This ‘care’ meant that Nakagawa engaged in weekly calls with Kenji, introduced him as a speaker at start-up events, and let Kenji organise the fund’s own start-up event. Such care extended beyond business matters alone. On one occasion, for example, I encountered Nakagawa in an unnerved state in a shared office space in one of Nishi-Shinjuku’s skyscrapers. When asked what was going on, he commented, ‘Kenji is a lot of work’. He had just completed an hour-long call where he gave Kenji relationship advice. Kenji’s case was not necessarily the norm, but it gives an indication of the emotional

involvement VC-founder relationships could entail. While at times stressful, this was also satisfying. The other side of such involvement appeared reflected in the emotional toll that start-up failure took, as Nakagawa recalled:

When a founder wants to quit, that's where I get stressed; although it was supposed to go well [it didn't]... the entrepreneur is sad, the investor is also sad, [we] did this and that but the business doesn't go well — this makes me feel down (*kokoro ga ochikomu*). Then sensitive topics have to be raised; when one starts talking about these things it's stiff and awkward (*gikushaku*), how do we liquidate, how do we distribute the remaining assets, etc. — that's exhausting (*shindoi*)!

Founders similarly described how their first investors actively involved themselves in their business. Yokoyama, a founder of an early stage start-up, explained how his first angel investor had at the early stages personally given advice on strategic matters several times per week, and was also involved in day-to-day matters such as advertising campaigns. Also, at a post-Series A stage, he remained actively involved in the business through weekly meetings. This 'guidance', and in particular the risk his 'first' investor had taken by 'making' him a founder, filled Yokoyama with indebtedness:

I feel thankful (*kansha no kimochi*), I feel I have to repay [my first investor] (*kaesanakyaikenai*) [...] [Investing] in the seed stage, when there is nothing, when the product [and] the team is not complete, [such] investing in anticipation (*mikonde toushi*) is different from Series C or D where it becomes all about results; investing at that stage means there isn't much risk [in comparison] [...] building from zero, the belief in this zero is what makes me feel thankful; clients, team members, VCs,... I am thankful towards all of them, it's an enormous risk for everyone, they invest in a company that can collapse anytime.

While VCs then followed investment routines that are structurally based on probabilistic assumptions and promoted business models that compete with other sources of 'capital growth', their personal motivations seemed to revolve around a sense of admiration and sympathy for founders and idealistic possibility. Instead of the calculative ethos underlying probability, the affective hopes, dreams, and aspirations of founders were what they identified with. Discerning possibility, identifying *shakai kadai kaiketsu* successfully, was what justified the earnings of founders and VCs. Investment decisions at the seed-stage were

not simply utilitarian but also resulted in inter-subjective bonds between seed VCs and the founders they ‘make’. This act of ‘making’ is special, due to the courage it requires to be the ‘first’ to invest, and appears ‘noble’ due to *shakai kadai kaiketsu*.

### The VC as a Probabilistic Hurdle

Such harmonious narratives are disrupted when founders describe VCs and other investors, in informal backstage settings, as symbols of financial pressures they have to navigate. To convince VCs they had to protect their reputation, their discursive selves, and spin narratives. VCs appear in such critiques as probabilistic ‘selectors’ who voice critique, make demands, or tell others about founders who don’t perform well. This distracted founders from what they should ‘really’ focus on: building a business for customers.

Founders disliked fundraising as VCs were the ones ‘talking’, who selected by making use of probability, while it was founders and their start-ups who ‘do’ (all the work) and realise possibilities. From their perspective, dealing with VCs simply impeded the realisation of possibility. VCs, as previously outlined, would counter such critiques by stressing the importance of their ‘selector’ role to ensure the socially responsible use of money. I will first outline how such critiques seem to invoke ‘doing’ and ‘talking’ and then further specify what particularly frustrated founders.

For founders, the disconnect between ‘doing’ and ‘talking’ was annoying. There are limits to what can be done, but not to the demands of others, as Yokoyama, a founder of an early stage start-up, commented: ‘Sometimes I feel [my first investor] is noisy, annoying (*uzai*), all talk (*kuchi dake*); there is no way that one can do what he says.’ A comparable sentiment was articulated by the junior CVC, Ueda, who criticised his VC colleagues:

[...] there are many cowards (*chikin no hito*) [among VCs] — doing and teaching is completely different [...] everybody can criticise (*monku bakkari*), [but] if I had to pick one [criticism] then investors are small-minded (*sekoï*).

Such ‘talk’ was annoying not only due to the limits of what one can ‘do’ and the financial or time pressures a VC’s demands invoked. ‘Talk’ can also mean ‘gossip’ and threaten one’s reputation, one’s discursive self. This can affect one’s trustworthiness and thus one’s ability to form connections, raise capital, recruit employees, etc. On the other hand, VCs can use such ‘talk’ to profit, which angered Kanda, a founder of an early stage start-up and former COO of Twig:

Slander (*waruguchi*), such as this company doesn’t work well, that company’s boss is bad [...] always chases after women (*onakuse warui*), that company’s running low on cash [...] there is a lot of slander when people drink (*nomikai*), it’s always the same — idle gossip (*idobata kaigi*), I don’t like that. [...] In terms of VCs, they do insider trading, they say [to each other], ‘that company is going well, so you should invest’.

Such critiques regarding ‘talk’ were extended more generally towards an investment process that hindered entrepreneurs from ‘doing’. Having to keep projecting a favourable image, conserving the impression of probability, diverts attention from what is ‘really’ important. For Kanda it falsified the meritocratic base of entrepreneurship. Founders, instead of being rewarded for focusing on the customer, were enticed to create the right narrative, to raise the next funding round through PR releases or momentary performance snapshots:

There is fake (*fēku*) progress and true progress [...] things such as MRR [monthly recurring revenue], PR [public relations], creating the impression of ‘I have often seen this company[’s name], that person joined this company’ [...] This is all fake progress.

By contrast to fake progress, true progress was simple: ‘True progress relates to understanding the user’s needs, that’s all, that’s what one has to focus on.’ The ‘fake’ progress necessary to raise future funding rounds and the dependency of start-ups on outside funding made venture capital investment not unlike ‘drugs’ (*mayaku*), he concluded.

In a comparable manner, Kaneko, an early-stage founder in his early 30s, criticised the venture capital fundraising process as hindering the realisation of the possibilities that founders wanted to realise. For him, the efforts founders had to make to raise funds cost time and *supīdo*:

There are, no matter how you put it, a lot of conservative [investors] [...] When they evaluate or assess [a venture investment], I think it's fine if they are conservative [...] but once you have cleared their criteria, they continue to be like this, they look at investment contracts [and] term sheets in a very conservative way, and propose conditions that favour the investor, instead of prioritising the venture's *supīdo*, flexibility, being hands-off. [...] Start-up businesses need to focus on their business, that's how they grow; the time used for financing is a waste (*mottainai*).

Other founders expressed similar dissatisfaction with fundraising, and confided in me that they made use of their credit cards or personal funds to keep their ventures running as fundraising had taken longer than anticipated. Others accept the risks of 'dark angel' investment, as these investors can invest 'immediately' (NHK 2008). Dark angels are investors associated with yakuza money. To satisfy their needs, they often use financial and personal information to control founders and their companies when it suits them.

The conflict underlying 'talking' and 'doing', in this sense, relates to having to raise money from VCs by publishing appealing PR stories and narratives, something that seems removed from 'actual' customer needs and the various other intersubjective connections that start-ups sustain. Fundraising here is a form of hyperreality making (Baudrillard 1994) necessary to sustain fictional expectations, but also strangely removed from the 'real' present. This seems to be, in part, what creates the contrast between how VCs tended to characterise themselves and how founders reflected upon their interactions with them. VCs stressed the harmonious and mutual advantages of the relationship, as well as the contribution their selection processes made towards society, as they were the ones ensuring the selection of founders following *shakai kadai kaiketsu*. Founders instead were critically opposed to their dependence on outside capital and the efforts they had to make to fulfil the

criteria of VCs. In their understanding, they were the ones who realised *shakai kadai kaiketsu*, and fundraising processes were distractions that hindered them from ‘doing’, from realising possibility. This conflict is of relevance throughout the thesis and similarly unfolds within start-ups, as will be outlined in later chapters.

#### 4.2 *Shakai Kadai Kaiketsu*, Coolness, and Probability

There is, then, tension between founders who (have to) embrace possibility and VCs who sympathise with embodied possibility but are calculative probability actors on a structural level. A related conflict surfaces in entrepreneurship marketing. Shall one prioritise *shakai kadai kaiketsu*, altruistic ideals, when promoting entrepreneurship, or rather act in a calculative and pragmatic manner aiming to achieve the greatest ‘effect’?

This conflict was apparent in the events and *muras* of VCs. These are locally focused networks of young adults interested in start-ups formed online and offline around particular VCFs and their events. VC *muras* aimed to attract potential entrepreneurs-to-be by commercialising and promoting themselves using *hanayaka* notions. A focus on promoting whatever is ‘entertaining’ and ‘fun’ seems at times to drown out the idealistic aspects of *shakai kadai kaiketsu*.

I first describe these VC *muras* and events (Appx. 17, 18) which appear to capture such ‘fun’ aspects. Then I outline how this ‘festive’ frontstage atmosphere became criticised as it lacked the idealistic and responsible attitude necessary for *shakai kadai kaiketsu*. I focus here in particular on formal backstage preparations for *Entrance*, the seed stage fund New Venture’s signature event. During such preparations the meeting participants disagreed

regarding the event's speaker line-up, reflecting the tension between the idealist aspects of possibility and the calculative focus of probability.

### The Role of *Iketerukan*

In particular, *iketerukan*, or 'coolness' — a form of affective, youthful attractiveness — can be used to achieve the strategic logic of probability in a manner comparable to marketing campaigns which create affective assemblages of product and imagery. The attention of potential young entrepreneurs-to-be can be attracted through *iketerukan*, which resembles an appealing *hanayaka* ideal of youth. *Iketerukan* is linked to the youthful fashion of *mura* actors. It captures their fun and confident ways of talking and leisurely clothing, which at times reaches exotic extremes (in comparison to the uniform presentation of bureaucratic businessmen) when combined with coloured hair, piercings, or trumpet jeans.

For Ninomiya, a female, former start-up employee in her late 30s, presenting such an appearance meant the *mura* and young founders were like entertainment industry 'idols' (*aidoru*). Entrepreneurs and idols both tried to present themselves in an appealing and youthful fashion. They had to attract the attention of their fans to achieve popularity within their own group. The idol group AKB48, for example, ranks its members according to a vote system; to cast votes, one has to buy the group's CDs, which contain ballot papers. In a similar manner, people in the *mura* vied for the attention of investors, employees, business partners, customers, etc.

*Iketerukan* extended beyond the physical space into digital spaces, in particular Twitter, where young founders and *mura* VCs were often active. Their digital avatars showed young people who exuded confidence, whose triumphant laughs seemed charismatic, whose serious faces portrayed intellectual sincerity, etc. Their posts revolved

around articles concerning their company's services, valuable information in general (financial valuation, trends, interviews with famous entrepreneurs, etc.), or reflections on entrepreneurship and investing — 'Doing what has value, faster than anyone else (*dare yori mo hayaku*). That's all I do [...]', as one *mura* entrepreneur tweeted. I myself, as a venture capital associate, was at one point instructed to create a Twitter account and to post regularly. By sharing interesting information (in my case, information regarding international start-up trends), I should be able to attract attention and gather a following on Twitter, so I was told. Later on, this should facilitate real life encounters with people who had seen me on Twitter and thus knew that I was 'in' the *mura*. At times I actually encountered people who had heard about me from others before they had met me, although they rarely mentioned my Twitter activity.

Often inspired by what they saw online, people went to physical spaces, *muras* within the *mura*, where young, *iketeru* people came together and met like-minded folk to start their ventures. One example is the serial entrepreneur Endo Kensuke's *LiberaPlace* in Roppongi, which as a 'share house' offered cheap accommodation to young people. One of the earliest members of *LiberaPlace* was a student entrepreneur who started his start-up under the auspices of Endo and successfully took the company public in 2019. Inspired by the student entrepreneur's example, others came to *LiberaPlace* and tried to found their ventures. At the same time, Endo promoted *Libera* as a 'refuge' (*kakekomitera*) for young people who needed a place to stay.

This created a mix of young people who needed a place to stay, were attracted by entrepreneurship, or both, as the CTO of Twig (one of the main case studies in this thesis — see Chapter Five) recalled. The CTO characterised the *Libera* crowd as a mix of 'young people who lost hope' (*kibō ga nai wakamono*), who 'all wanted to become entrepreneurs' (*mina kigyō shitakute*). Most of them, though, didn't build companies. They would do

‘entrepreneurial’ things such as sing in their rooms, stream their singing online, and in such a way try to make money. Since its beginnings, however, *Libera* had also acquired a notorious reputation beyond entrepreneurship. The intern Fujiwara, for example, described it as a place with a ‘bad reputation’ (*hyōban yoku nai*) and recalled how people made allegations of sexual violence committed in the share house on Twitter.

Within the *mura*, several other environments (or little *muras*) like *Libera* were similarly focused on young entrepreneurs: the co-working space *Hive*, operated by the VCFs Skyland and East Ventures, the founder networks of the VCF, Anri, and the founder network *Chiba Dōjo* led by Chiba Kōtarō, a successful serial entrepreneur, are some examples.<sup>9</sup> These environments did not necessarily attract the same mix of people as *LiberaPlace*, but they all seemed to attract young, *iketeru* people interested in entrepreneurship. The two main case studies of this thesis (Twig and Branch) were both affiliated with such small *muras*.

Events were a major aspect of the attraction efforts made to get people to join such *muras*. One relevant example here is the event *Entrance*, organised by the seed stage fund New Venture. New Venture was headed by Nakagawa, the fund’s representative and its only full-time regular employee. Nakagawa was in his early 30s and wore round glasses. Like others in the *mura*, he dressed leisurely, at times wearing a suit jacket over his T-shirt. He started his career as a VC in the *mura* and first worked at a larger fund before he established his own.

Nakagawa usually tried to gather a large number of interns and volunteers, mostly university students (myself included) or even high schoolers who helped him with investment sourcing, financial operations, or the organisation and execution of *Entrance*, the fund’s main event. Both for its daily operations as well as *Entrance*, New Venture needed

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<sup>9</sup> These are ‘real’, non-anonymised environments.

interns and volunteers as the fund itself was a ‘start-up’. As a newly established organisation, it only operated a small fund of 2 Oku Yen (around 1.86 Million USD). VCs usually charge a 2% fund fee for their services. In New Venture’s case this meant a meagre 4 Million Yen (around 37,200 USD) which the fund used to finance itself. Nakagawa bolstered this low budget by working as an event organiser for large corporates.

For the New Venture team organising *Entrance* and promoting entrepreneurship was not simply a strategic application of probability to increase one’s chances of investment success but rather a ‘good’ effort that related to *shakai kadai kaiketsu*. This was often expressed implicitly. Nakagawa, for example, explained to me how he hoped that events such as *Entrance* might establish entrepreneurship as an acceptable career choice after university graduation. Fund associates who first entered the start-up world through the event similarly expressed ‘thankfulness’ (*kansha*) for such an introduction.

To promote entrepreneurship as a ‘good’ choice, *Entrance* was held as a free event aimed at young adults and university or even high school students. Most of the fund’s interns encountered New Venture as *Entrance* participants, while others heard about it through word of mouth or social media. The fund’s volunteer recruitment efforts were usually successful. One *Entrance* edition which took place in Tokyo, for example, had managed to recruit 59 staff volunteers. Volunteers helped on the day of the event, and created dedicated Facebook pages and Twitter messages, as well as online articles that contained registration links leading to signup forms.

*Iketerukan* was a central aspect of *Entrance*’s promotion efforts. Goto, a former New Venture associate who joined a start-up after graduating from Keio University, located *Entrance*’s popularity in its mix of appealing *ikeike* (*ike* from *iketerukan*) speakers and working life insights:

Projecting that entrepreneurs are cool — *Entrance* does that well. People who fit [*iketeru*] are invited. *Iketeru* means that their way of living is cool (*kakkoï*). For students, hearing ‘I had this kind of experience, this and that happened, and now I am here’ is fun, [and] they also learn something, [...] others are looking for employment, for cool people [making] fun services (*kakkoï hito omoshiroi sãbisu*).

*Entrance*’s manifesto defined the event as organised by a ‘student steering committee’ (*gakusei unei iinkai*), ‘by students for students’, aiming to promote ‘entrepreneurship’ (*kigyō*) as a ‘natural’ (*atarimae*) choice. The event was organised by a successful student-led entrepreneurship ‘movement’ (*mūbumento*) which attracted over 250 student participants and created 4 start-ups, so the manifesto continued. As a ‘large scale get-together’ (*ōkibo kōryū-kai*), *Entrance* offered a chance to connect with others who shared one’s interests. Collectively participants could experience talk sessions and pitch contests delivered by ‘illustrious [...] cool’ (*gōka [...] ikeike*) young entrepreneurs.

### Critiquing *Iketerukan*

As just outlined, *muras* within the *mura* and *mura* events appear characterised by a focus on embodied and affective youthfulness. *Iketerukan* can be summarised as the embodied, *hanayaka*, partly coincidental assemblage of Japanese youth coming together in Tokyo to engage in entrepreneurship informed by anti-bureaucratic attitudes.

Such *iketerukan* was also enforced through conscious, probabilistic efforts aimed at attracting people. When one aimed to attract entrepreneurs-to-be through *iketerukan*, however, *shakai kadai kaiketsu* was not necessarily in focus anymore. This relates to an inherent conflict between probability and possibility, as the former prioritises the greatest (most probable) future gain while the latter is focused on a particular thematic, altruistic, visionary near future narrative which is not necessarily an always-adaptable stance aiming for the greatest ‘effect’ but rather something ‘concrete’. As already outlined, maximising

probability in a sense entails a fluid, populist logic (e.g. ‘whatever sells’), while possibility tends towards the hardened, idealist spectrum (e.g. ‘this is the way’). When one aims for maximal probability, abandoning what doesn’t ‘fit’, e.g. *shakai kadai kaiketsu*, becomes the ‘logical’ thing to do.

This ‘abandoning’ of the ‘concrete’ partly informed critiques of the *mura*’s *hanayaka* atmosphere, as in the observations of Hara, a junior VC at one of the oldest and best-known Tokyo VCFs. For the venture capital associate in his early 20s, young entrepreneurs, attracted by the ‘fun’ the *mura* offered, failed to use financial resources appropriately. The *mura* was characterised by a *hanayaka* atmosphere of ‘excess’. Its actors frequently failed to live up to the altruistic ideal of *shakai kadai kaiketsu* and appeared ‘hedonistic’, Hara seemed to imply:

When young entrepreneurs have money, their use of money is terrible (*hidoi*). Money, time — these are all resources. After fundraising it seems they think they are already successful, they already stop trying (*te nuiteiru*). [...] Recently, I perceive a feeling of excess (*kajō no yū-kan*), of being cool (*iketerukan*) and all the time I feel suspicion (*ayashisa*) [towards this]. It’s a strange bubble. Actually, [building a business] is not that easy (*son’nani amakunai*) [...] this festive (*hanayaka*) atmosphere and actually building a company [are different] [...]

This critique, and the conflict between probability and possibility just outlined, appeared particularly visible in formal backstage preparations for *Entrance*. The following is an *Entrance* preparation conference call between Kenji (a young *iketeru* entrepreneur), Hina and Asuka (two female high school volunteers), and me. Kenji was an exemplary young *iketeru* entrepreneur in his early 20s. He secured start-up funding through an internship at New Venture while studying as an undergraduate at Keio University. Kenji consequently established his own company and quit his undergraduate studies. He was one of the *iketeru* speakers advertised on *Entrance*’s webpage and in charge of the event’s ‘student steering committee’ (*gakusei unei iinkai*). On his social media accounts, he shared his breakdancing

activities together with other start-up-related information. In business meetings he at times wore breakdance clothes (e.g. wide black chinos and an oversized white T-shirt).

In contrast to Kenji, Hina, Asuka, and I were relatively new to the *mura*. Hina was the youngest of all and rarely spoke. Asuka, slightly taller and older than Hina, was more outspoken. Both girls often wore their school uniforms at New Venture meetings. When the following episode occurred, I knew of the frontstage narratives surrounding *supīdo* and *shakai kadai kaiketsu* but didn't quite grasp the importance of attraction through *iketerukan*, why one had to prioritise probability over possibility at times. This led to misunderstandings:

The Skype call was audio-only. I sat in my 20 m<sup>2</sup> Tokyo studio room often closing my eyes to concentrate. Kenji presented the speakers he had in mind for *Entrance*. He seemed excited when he talked about Hikaru, a well-known YouTuber, Yamauchi Kanato, 'the genius high schooler' (*tensai kōkōsei*), and Shiiki Rika, a female entrepreneur in her teens. While I didn't know their names, Asuka-chan and Hina-chan knew who Kenji was referring to, and they liked his ideas. Hikaru became famous with entertaining YouTube videos partly adapting the style of Japanese entertainment shows. The videos were subtitled in different languages including English, as Asuka-chan pointed out to me. Shiiki Rika, I learned later, had among other things developed an alarm app using the user's favourite *ikemen* (handsome guy) voice to wake them. Yamauchi was presented as a prodigy who from an early age engaged in software programming and managed to raise 1 Oku Yen (approx. 0.93 Million USD) to establish his own company when he was 16 years old.

Besides these young founders, the established and experienced founder Yamano would also take part in the panel discussion. The fund could use Yamano's event space for free, which was a great help considering our limited budget. Kenji talked about Yamano as if he knew him well and with a sense of awe. During the call, I Googled the founder and could only find pictures of a man covering his face with a painted caricature. Yamano had to cover his face due to his company's adult industry involvement, which links it to organised crime, the others explained to me. The company became well known through the distribution of adult videos before diversifying its business.

As Kenji finished his presentation and as all others were mainly listening and agreeing, I asked Asuka and Hina whether they had any thematic preferences. Asuka was interested in female entrepreneurship and hoped to have a second talk, even if just a short one, dedicated to such a topic. As I knew a successful female entrepreneur, I offered to contact her regarding the event. Kenji then interrupted us and stated that such a person would 'not hook' (*ukenai*) high schoolers and that he had never heard of her. 'What does he mean by "hook" high schoolers, surely the event should present competent people who had been successful in their entrepreneurial efforts?' I thought. Asuka disagreed with Kenji; there was meaning in having more experienced people on at least one panel discussion, she argued. Kenji remained silent. Without replying he continued, 'having no more than one panel discussion is

fine'. The talks shouldn't be too long as the main goal of the event was networking. Then the call ended.

Kenji, as a young, well-known *iketeru* entrepreneur, knew that an unknown fund, such as New Venture, with limited means had to maximise probability to attract a large audience efficiently. One can attract attention by making use of brand names — well-known individuals and corporates alike. To be popular, an event had to be 'fun' and exude *iketerukan*. Talks should be interesting, and not too long: having fewer talks meant more time for 'fun' parts, such as networking and the *Entrance* pitch competition. A fun event further needed a good location, and this was usually costly. Getting such a location for free was more important than the venue provider's affiliation to the adult entertainment industry (and its notorious association with organised crime) or a focus on particular topics, whether 'female' entrepreneurship or a focus on other *shakai kadai kaiketsu* issues. The promotion of entrepreneurship in itself, one might argue, is 'good', as entrepreneurship revolves around *shakai kadai kaiketsu*, something 'obvious' for Kenji and other 'insiders'. Such logic, though, ignored how their own performance and presentation efforts similarly defined what entrepreneurship 'really' was, independent of its existence as a discursive ideal.

Critical attitudes such as Hara's comments regarding the *mura*'s 'festive' (*hanayaka*) atmosphere indicate the tension between the 'greatest potential payoff' and idealistic possibility. Previously, VCs as those who 'talk', who follow an ethics of probability, were criticised by founders who 'do', who aim to realise possibilities. The matter of popularity and *iketerukan*, in this sense, appears to indicate a related conflict regarding populist probability efforts aimed at attracting one's future investors, entrepreneurs, business partners, etc. and the concrete but potentially less attractive and less entertaining idealist notions of possibility. Rather than simply greed, in the case of New Venture it was concrete economic restraints and limitations which also seemed to underlie a focus on 'what sells' in

the formal backstage. Economic restraints in this case shaped how people engaged with time and effort and what near future perspectives they prioritised. This tension between probabilistic ‘what sells’ and concrete altruistic causes of possibility is similarly relevant in start-ups (as explored in chapters Five and Six).

### 4.3 Identifying the ‘Right’ Founder

The previous sections outlined the tensions between calculative probability and idealistic possibility. These notions reflect upon the VC-founder relationship as well as the *mura* in general. The following sections focus on how possibility entails affective and embodied modes of pitch performance, which appear in contrast to the more ‘cerebral’ and ‘distanced’ ways of probabilistic forecasting.

Pitch selection and start-up investment appear partly reflexive, like financial trading using the treasury yield curve in Zaloom’s (2009: 264) analysis: ‘The ability of the instrument to predict is always under question. Constant market changes transform the tool itself. Its meaning and effectiveness shift as financial and political conditions develop and as market participants move in and out.’ Pitch and founder selection is similarly a selection process that in itself produces future outcomes, that decides which ‘heroic’ narratives, which possibilities obtain the chance to become realities in the first place. Through investment, the pitch becomes transformed, and start-ups obtain higher financial valuations (due to the price investors pay for start-up stock); the more resources they have at their disposal due to fundraising, the likelier the success of start-ups, one might argue. This reflexive ‘weight’ partly informed the repeated insistence of VCs on *shakai kadai kaiketsu*, as previously outlined, that they aimed to select entrepreneurs who solved societal problems and, in that

way, made life ‘better’ for everyone. How, though, did VCs determine whether someone actually follows *shakai kadai kaiketsu*?

In particular at the seed stage in the *mura*, one answer to such a conundrum relates not only to fictional expectations but also to the ‘person’. Rather than focus only on the argument someone makes, the way they say it — the way they perform ‘who they are’ — can also be an important element of founder evaluation that intertwines the ‘right’ person with the ‘right’ values.

Not all VCs, however, focused on such criteria in particular. Some, for example, strongly focused only on the technical aspects of fictional expectations and less on their performance. However, within the *mura*, young adult entrepreneurs often had no prior business experience and tended to lack extensive technical (academic) specialisation. In particular for investment decisions concerning such founders and their consumer-oriented businesses, the notion of the ‘right’ person appeared to be intertwined with the plausibility of fictional expectations.

Characteristics that many seed VCs were particularly interested in are *kiai* (fighting spirit) and other drive-related characteristics such as *genki* (vitality, energetic), *haki* (gumption, ambition) or *gattsu* (grit, spirit). The appreciation for such drive and resilience-related characteristics is not limited to Japan. Individual resilience, for example, has been well explored in the context of entrepreneurship (Ayala & Manzano 2014, Bullough & Renko 2013, Bullough et al. 2014, Korber & McNaughton 2018). Using different psychometric tests, both Fisher et al. (2016) and Santoro et al. (2018) find correlations between the personal resilience of a founder and perceived success.

The question that emerges in practice is one that concerns identification. What are the measures of *kiai*, *gattsu*, *genki*, etc.? *Mura* VCs did not employ psychometric methods to evaluate such characteristics, but many focused on what they ‘feel’ when they

experienced a founder's pitch. For some, the founder's pitch was an act of performed frontstage convincing. Such 'performance' is not a dialogue, but rather an act focused on capturing attention and swaying the hearts and minds of one's observers by relaying the 'right' sensory information. Founders can appear trustworthy depending on how they pitch affectively embodied narratives of the near future in the present.

Further, the focus on 'investing in the person' can also be understood as a reaction to the limits of the stochastic projections underlying pitches. I am not focused on the failure of economic theory here, something of which actors were very much aware. Of greater relevance is how the evaluation of embodied performance figures as one instance of 'knowledge as endpoint' (Miyazaki and Riles 2005). For Miyazaki and Riles (2005) the limits of stochastic projection or social theory are not surprising in themselves. Researchers should rather focus on instances in which actors respond to the limits of economic theory 'in unexpected, creative, and sociotechnically determined ways' (2005: 321).

I first outline how founders and VCs described the role of embodiment when they referred to pitching and founder selection. Then I focus on the evaluation of pitches within New Venture, a seed stage VCF. I outline the format of pitch presentations and describe how venture capital associates such as myself strip it from all imagery to capture the information they need. Then I discuss how such an analytic 'information'-focused format appeared to inspire probabilistic modes of thinking, to the dismay of the fund's partner during an investment decision meeting. In the follow-up meeting, one of the fund advisors informed the partner that to convince all participants present he had to re-enact the affective exhilaration he experienced when the founder 'performed' possibility.

## Performative Means of the Pitch

In this section I briefly outline how VCs and founders defined trustworthy pitch performances within the frame of *kiai* and other drive-related values. I describe how VCs and founders enacted *kiai* and the extent to which people seemed aware and appreciated the performance aspects of such acts. In this sense, this part revolves around the affective and embodied means people employ to make the near future appear graspable and ordered. Most of the following statements were collected in informal backstage settings. In particular, the notion of *kiai* and how it characterises a good founder is part of formal frontstage talk as well (student-focused events, company-wide speeches, etc.). Explaining how one can indicate *kiai* through performance or convincing embodiment is, though, not part of the frontstage.

One example of the importance some VCs attribute to *kiai* is how the venture capital intern Takaaki described his experience at a well-known seed VCF. I met Takaaki in Jiyūgaoka, a suburban neighbourhood in Tokyo's west. We had lunch in a pasta restaurant with wooden décor, a place reminiscent of an Alpine cabin situated on the underground floor of a low-rise building. Takaaki was in his early 20s, relatively tall, with longish hair, and usually well-dressed. He talked with a sense of refinement that indicated his family background. The fund's founder, Toyoda, was an active entrepreneur and well-known within the *mura*. He had been named as one of the Top 10 most influential Japanese VCs in a widely-read business magazine and also acted as chairman of a large venture capital lobbying organisation. Toyoda was above all focused on *kiai* and on his impression of a founder-to-be, as Takaaki recalled:

‘Toyoda invests if he likes someone, someone who demonstrates Shōwa-era values: *Kiai* (fighting spirit), *gattsu* (grit), *ganko* (stubbornness) [...] Toyoda liked

*kōseinen*’,<sup>10</sup> Takaaki began. ‘At times, he likes the person so much that he invests, though their business idea is bad; he would instead provide them with his own business ideas’, Takaaki continued.

‘Toyoda’s investment philosophy is directed by instinct (*kan*).’ To explain, he compared Toyoda’s investment approach to how the baseball coach Hara Tatsunori (*Hara kantoku*) talks. Hara does not explain a home run, he does not engage in a technical explanation but he performs the feeling of a home run: ‘You hit it PAAAN [voiced elongated and stressing the P, like the ball hitting the bat] and it goes PAAAAA [voiced with a lot of breath decreasing in volume, like the ball flying away]’ (*Paaan tte utte paaaaa tte tobu*).

This characterisation is a good example of the ‘person’-focused evaluation that can inform a VC’s founder selection. In the same way as a top baseball coach aims to transmit the ‘feeling’ of a homerun, VCs such as Toyoda knew what a potentially great founder ‘feels like’.

Founders seemed to be aware of the importance assigned to such notions and accordingly tried to enact them. Yokoyama, an early-stage founder, thus described the importance of the ‘person’ and of resilience-related notions such as *kiai*:

In the early phase [VCs] invest in people, the team or the entrepreneur. The product is not yet ready, there is the chance of pivot. If you pivot there can be all sorts of environment changes, gruelling (*kurushī*) things [...] [present yourself so that they think] if it’s that guy (*koitsu*), whatever happens he will survive (*ikinokoru*) [...]

For Yokoyama, the ‘right’ way of fundraising corresponded to a convincing manner of talking:

Don’t fret, don’t mumble-jumble (*gonya-gonya*); talk in a simple way, deliver the pitch fast, efficiently (*supa-supu*) and vividly, with a great sense of narrative (*sutōri-sei*) and in a good rhythm [...] raise your voice, it’s better if you talk slowly.

That projecting such ‘dedication’ and ‘narrative’ also relates to particular styles of word choice is best visible in how Kimura, a well-known founder of a growth-stage start-up, re-enacted his fundraising efforts and struggles with a mischievous VC during a formal frontstage student-focused event (as discussed in Chapter 3.3):

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<sup>10</sup> A term that describes a male youth with a happy, positive attitude.

There was a guy — I will call him Mr. M — who offered me a 49–51 equity split in his favour [pauses]. That’s how you are deceived; that means it’s not your company anymore, but my (*ore no*) [the investor’s] company [...] The first time I went [to an investor] I was told, ‘you (*omae*) are 15,000,000 JPY [approx. 139,500 USD]’ [...] I tell investors, if you wish to invest somewhere, better come to me (*toushi shitakattara ore no tokoro koi*) [...] I always negotiate three times.

Kimura, who was dressed leisurely in a simple T-shirt and jeans, re-enacted this instance in a steadfast and unwavering manner. He sounded aggressive, and leaned slightly towards a student audience while delivering this re-enactment. Rather than plead in formal Japanese (*kitekudasai*), he used the imperative form (*koi*). Instead of politely referring to himself as e.g. ‘*watashi*’, he used ‘*ore*’, an informal way of saying ‘I’ mostly used by men. The investor in his account was similarly ‘rough’ and used *omae* — an informal, at times disrespectful, way of referring to others. Characteristic was also the absence of common Japanese phrases that might have indicated the subjectivity of one’s point of view, e.g. ‘I think’ (*omou*), ‘might be the case’ (*kamoshirenai*), ‘possibly’ (*moshikasuruto*).

The overarching aim of such manners of speaking and word choice is to perform *konfidensu* (confidence) in the face of uncertainty, as Yokoyama explained. To create the impression of *konfidensu*, one makes use of fictional expectations and embodied performance:

Whatever you do [...] there is no project with 100% success [probability], there are many uncertain circumstances [...] of course you come up with a rationale, look for the right market, research the customer’s needs [...] all business models are, though, based on uncertain [conditions]. In the end, it’s about self-confidence: can you be confident enough and talk? From time to time you might also need to use graphs, this all together [relates] to how much *konfidensu* you can express (*hyōgen dekiru*).

Such *konfidensu* has to be projected, as in the face of an uncertain future the threat of doubt is always present. The entrepreneur as a truth teller needs to tell a convincing narrative of the near future that illuminates the menacing murkiness of the unknown. Failing to do so, projecting doubt, is accordingly the ‘end for entrepreneurs’, as Kanda, the founder of an early stage start-up, explained:

At the end there is doubt — did I make a mistake, did I hire [the wrong person]; this is the same as VCs — I invested but the business doesn't grow [...] doubt *is the end for entrepreneurs*, thinking that one's business, the people one hired, what one wishes to improve, and the company *bijon* are wrong.

The logic underlying such 'unwavering' performances of *konfidensu* is, though, not one of deception. After all, as both founders and VCs seemed to imply, one cannot completely falsify who one appears to be. Rather, one's ability to perform a role also reflects upon who one really is. For Yokoyama, it was rather the discursive, the strategically constructed fictional expectation, which could be easily falsified, but not what one performed through embodiment:

The competitive advantage is important, the core competence is important [...] but that's, in the end, something which depends on your writing skills; you can construct lies. It's really all about [projecting that] this team is strong (*tsuyoi*).

*Kiai* and other drive-related characteristics then appear to revolve around modes of expression focused on eliciting *konfidensu*, on the performance of fictional expectations through pitches. This meant steadfast ways of talking and the projection of an unwavering appearance and narrative. Rather than a form of intentional 'manipulation', such embodied performances were judged as more reliable than what people could strategically 'design' when they devised their PowerPoint presentations and business plans.

In a sense, these comments reflect awareness regarding what Mauss (1985) describes as the fluid boundary between 'personage', the masks and roles we play in society, and 'persona', the 'real' person. Likewise, these comments might be read as an expression of the awareness of context-dependent role enactment (*honne* and *tatemae*, *soto* and *uchi*, *kejime*, etc.), which is strong in Japan and tends to be stressed positively as an aspect of adult behaviour (Lebra 2004).

Within the context of VCs identifying *kiai* and other personal resilience-related characteristics, one might then say that being able to appear unwavering and unimpressed

by potential pitfalls and future challenges is an indication of resilience, independent of how one actually feels ‘inside’. *Mura* VCs who invoked *kiai*, *gattsu*, and other resilience-related characteristics, then, described the ability of founders to project and ‘conserve’ a narrative of the near future in a convincing way. This focus on projecting or ‘conserving’ a narrative, rather than on a founder’s ability to negotiate imbalances between how they felt internally or how others felt regarding such narrative, is a matter which is also of great relevance in the start-up case studies following this chapter. In the next section, I discuss how such projection efforts extended into the visual elements of the pitch.

### Pitch Structure and Visualisation

The pitch then should relay the impression of *kiai* and similar notions through convincing affective performances of particular possibilities. This part specifies some of the structure of such pitches, and their visualisation in pitch decks.

In the context of the *mura*, pitch decks followed particular norms, leading to standards with which VCs and founders were familiar. For Wada, Branch’s<sup>11</sup> founder, a generic presentation contained the following:

- [1] Which and whose problem you try to solve [...]
- [2] What’s your solution for the problem you are trying to solve [...]
- [3] Service overview, the [business] model
- [4] Expected market size, what competitors exist, [...] why one should do this now
- [5] The team’s personality (*kosei*).

The pitch, as in Wada’s formula, presents an argument that revolves around (1) the founder knowing what is needed, (2, 3) how to satisfy such need in the future, and (4, 5) why oneself and one’s proposition are the right means to satisfy such need. fictional expectations and

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<sup>11</sup> One of the main case studies (Chapter Six).

their future ‘fidelity’ become in such a way linked to particular individuals or groups. Pitch decks were carefully designed. They employed affective elements, pictures, stylistic elements (font size, colour, width, etc.), and metaphoric language to ‘visualise’ such arguments. Each part used common features which fit its content.

The problem part (1) and the solution part (2) described background research, the inferred ‘needs’ of the start-up’s target audience and how one wanted to address them. Such ‘needs’ or the ‘pain’ — the problems and inconveniences a potential customer might want to be freed of — were presented in a condensed bullet-point style using stylistic elements (colours, font size, style, etc.) to highlight certain aspects (e.g. ‘**20%** of all customers feel waiting times are too long’, etc.). Graphs could further visualise the scale of such ‘pain’. (2) was also the part in which a company’s *bijon* and mission or *misshon* were presented. Such phrases were not unlike slogans — brief and evocative in their formulation. The distinction between *bijon* and *misshon* was not always clear. Some companies might only have a *bijon*, others only a *misshon*. The *bijon* sometimes described a ‘desirable’ future state, while the *misshon* revolved around what the start-up had to provide to realise such a ‘desirable’ state. The start-up Branch’s *bijon* was, for example, ‘supporting unique and irreplaceable lives’, while its *misshon* was ‘personal AI for everyone’.

In (3) founders introduced their services and products in detail. The presentation of a company’s service or prototype was reminiscent of advertisement shots with pictures of laughing people in offices, supermarkets, nature, etc. The product’s functionality, its utilitarian value, appears in this way as an affective visual assemblage. The products of a company were used by happy, good-looking, healthy, and laughing people, someone we ourselves might want to identify with when looking at the pitch.

Often of central interest for VCs was (4), the ‘research’ part within which founders made a case for their solution based on macro-economic developments, the collective basis

of fictional expectations, which indicated trends that should extend into the future. In (4) founders had to construct complex arguments and this often meant that they made extensive use of graphs or other imagery which, in its visually convincing style, often failed to capture accurately the uncertain assumptions underlying it.

The market size of a start-up's product was, for example, frequently visualised through the use of Venn diagrams. These diagrams consisted of circles that indicated different already existing markets. Each market was a separate bubble and the overlap of such bubbles signified the 'new market' captured by a start-up's product. A start-up specialising in vending machines that could be opened like a normal refrigerator might be presented as capturing parts of the market bubbles of conventional vending machines, convenience stores, and lunch restaurants. As people can open such vending machines, larger items such as lunch sets might also be sold through them. Such a lunch set concerned these three markets as it could be enjoyed by office workers who might normally go to a convenience store or a restaurant during their lunch break, while 'normal' vending machine items such as soft drinks might also be sold.

This type of argument, while visually enticing, is also unidimensionally focused on one possibility and does not address other factors such as the competitiveness (taste, quality) of products within the vending machine. Comparable graphs such as the competitor analysis matrix were normally arranged in a similarly unidimensional way. The pitch presenter's start-up was often visually set apart from its competitors, indicating its competitive advantage due to the factors used to evaluate such advantages. This frequently stressed certain factors (e.g. price and design) while strategically ignoring others (e.g. taste, texture, reliability, etc.).

In (5) 'presenting the team' meant one used photographs of the start-up members which showed laughing and energetic faces. Next to such photos, biographic summaries

focused on ‘highlights’ such as professional experience or academic excellence. In addition to team members, pictures of advisors, people who were well-known in the respective industry, seemed to magnify the perceived competence of a start-up’s team. Similar to previous parts, what had been ‘only’ a business idea appeared now as an assemblage linked to people who looked energetic and competent, people one would like to meet or invest in.

While these five parts provide a rough outline of what pitch decks often looked like, such pitch decks were not the pitch but well-designed presentations on which founders and others based their embodied performances. Often the pitch performance did not exactly follow the pitch deck format. People skipped a slide, instructed others who assisted with such presentations to ‘show them the video’, or asked ‘do we have the patent [slide]?’ , etc. Pitches become appropriated, and speakers engaged in pitch ‘bricolage’ (Lévi-Strauss 1966) based on the slides available to them, their mood, the context, and the people they addressed. This meant that there was something ephemeral and transient about the pitch and its convincing effect which linked it to a particular moment in time. Such ‘transience’ was problematic when VCs relayed what they experienced to others who lacked such ‘experience’, as I will outline in the following sections.

### Making the Affective ‘Rational’

In the next three parts, I will describe the ways of ‘re-enactment’ investing in the ‘person’ necessitated within the context of New Venture investment decision meetings. This is an additional indication of the importance the performative aspects of the pitch as a narrative of the near future has for seed stage investing. I will first outline the creation of work sheets used to analyse pitch decks. Then I will describe an investment decisions meeting where a discussion based on such discursive documents failed to relay to others what the presenter

had experienced. Finally, I describe a follow up meeting within which a fund advisor encouraged the presenter to simply ‘re-perform’ the affective exhilaration he had experienced when listening to the founder’s pitch to convince others who lacked such experience and who were ‘too focused’ on probability issues.

Although seed VCs stressed the importance of what founders embodied, as rational actors they couldn’t base their decisions solely on such performance. For the New Venture partner Nakagawa, performance was in the centre of a broader analysis that also concerned the probability of success a business idea entailed. The information that provided the basis of such analysis was summarised as an Excel sheet which appeared to deconstruct the affective assemblage of pitch decks.

Analysis here appears as the rational counterweight to the ‘sensory’ aspect of pitches applied in an effort to discern what was ‘real’. After all, our senses might mislead us. In the seed stage, though, what is ‘real’ can’t be answered clearly. While the future is uncertain, the entrepreneur is ‘real’ flesh and blood; at the same time, though, the founder’s narratives of possibility, the conviction they transmit through embodiment, promote uncertain concepts and they thus need to be evaluated rationally according to their probability.

The ‘translation’ of affective pitch decks into rational information sheets which should allow for a fact-based evaluation of success probability was part of the formal backstage and the work of venture capital associates. I also frequently prepared such sheets for investment decision meetings. These sheets were rational as they avoided affective means (metaphorical language, imagery, etc.), and employed ‘dry’, report-like language. At investment decision meetings, the fund’s upper echelon discussed potential investment opportunities. It was the last step before actual investment after investment sourcing processes (visits to events, online communication, introductions, etc.), founder interviews, and related background research.

To create these sheets, I used the content of pitch decks but also various chat messages, emails, etc. This investment decision sheet had only recently been introduced at New Venture and was continuously updated. It related to a template obtained from another fund, Ninja Partner, where Nakagawa had started his career before he established New Venture. Associates slightly adapted Ninja Partner's sheet for the purposes of New Venture, as one associate explained to me, appearing embarrassed.

The sheet consisted of two argumentative parts which were focused on the probability of a start-up's success: the first part summarised the start-up's business idea, the second part focused on the fund's potential financial gains. If the start-up's proposition is plausible, so the sheet's composition seemed to imply, then the fund's return is probable.

For the first part, associates needed to extract information and assign it to various categories: business model, competitive advantage, team characteristics, the start-up's growth goal, its exit goal (IPO or M&A), and the purpose of fundraising. For the second part, New Venture used the 'venture capital method', a probabilistic revenue projection model, to evaluate future returns. This model projects future gains based on a start-up's potential total revenue at the time of 'exit', the public offering of a start-up's equity on a stock market. Investors can analyse companies as trading at multiples of their annual revenue, and different sectors have different average multiples. People use such average multiples to project the potential worth of a start-up's equity at the point of stock market listing, based on a founder's revenue growth projection. As a VCF obtains stocks or comparable financial vehicles in exchange for their cash investment, this projection also indicates a VC's potential fund return as a percentage of the overall projected worth of the start-up. Such multiples and their averages are uncertain and subject to variability throughout time, like the stock market itself. Stock market fluctuations, for example, can

impact the stock prices of companies without a corresponding change in company revenue, thus resulting in lower multiples than previously projected averages.

Further, like the investing process itself, this model also has reflective and performative effects, as its underlying assumptions are based on uncertain revenue projections by entrepreneurs who often have not yet acquired any paying clients nor created any products. Such revenue projections are imaginaries rather than probable estimates, arguably influenced by the internal growth requirements VCs have to satisfy. Seed-stage funds such as New Venture usually target a return of 10x, a tenfold return on each investment. Entrepreneurs who want to obtain venture capital funding thus have to formulate high revenue growth projections, exceeding 100% growth on a year-on-year basis to reach potential tenfold returns within a five-year timeframe, independent of what they believe might be possible or what they wish to do.

In essence, the Excel sheet then reframed a founder's affective pitch, their affective performances of possibility into a format focused on the rational analysis of probability. The stochastic reliability of such probability, though, seems in doubt. While seemingly employing methods of statistic estimation, the incomplete structures of seed stage start-ups made the assumptions underlying such estimates highly uncertain.

Seed VCs such as Nakagawa were aware of such uncertainty, of the limits of economic theory and stochastic projection. On one occasion he laughingly pointed out how widely stock multiples varied and diverged from the average even within similar industries. For Nakagawa, the Excel sheet was rather a formality, a part of the formal frontstage of the investing decision meeting. It was something he had to create to satisfy his fund partners and advisors, Ogawa and Hayashi, who had worked in large financial institutions before and who didn't work with founders directly. Hayashi, in particular, had to be pleased as he was not a part of New Venture but a representative of a large bank which invested in the fund.

Within the following section, I outline how such differences in perception and knowledge led to misunderstandings surrounding the inherent conflict between an embodied pitch projecting possibility and the rational, probability-focused evaluation of such pitches.

#### The Investment Decision Meeting: Analysing Possibility as Probability

New Venture was a small VCF which did not have a permanent office space. The nature of the VCF's work required frequent travelling to 'maximise social connectivity', and repeatedly returning to the same office was not necessarily the most efficient manner of working. Often cafés and similar environments functioned as alternative workplaces.

I met Nakagawa, the fund partner, in a temporary office in Shibuya's Miyamizaka (Appx. 12), one of the district's long, tree-lined slopes. The meeting room was in a shared office space managed by one of the fund's start-ups. When I arrived at the rendezvous point, I obtained the office key. As instructed, I went into a convenience store in which I located a box with a display and keyboard mounted on a large stand. After entering a code, I opened the box and took out the office key, the only one which flashed green. The whole procedure reminded me of clandestine spy movies. Nakagawa arrived shortly afterwards, and we entered an adjacent building where the meeting room was located. The room was designed for four people. It contained a large wooden table, four white chairs, glass walls, a whiteboard, greenery, and other office items.

There were four meeting participants: Nakagawa, Ogawa, Hayashi, and me. Ogawa was a fund advisor who helped Nakagawa establish New Venture. Hayashi was a bank employee who represented one of the fund's main investors. Nakagawa and I sat down next to each other in the office while the two other participants joined from remote locations through a Facebook group call.

Before the meeting, Nakagawa and I became increasingly nervous and stiff. When the call started, a round of greetings was exchanged and I briefly introduced myself. I then provided an overview of the fund's investment opportunities based on the information sheet (see previous section), which I also shared in a Facebook group chat: business models, founders, comparable businesses outside of Japan, valuations, etc. Once I had finished presenting, the discussion began.

It was the first company in particular that Nakagawa was excited about, a new retail-tech venture founded by a successful serial entrepreneur. Nakagawa had been invited to invest, and the entrepreneur was not obliged to take his money, he had explained to me in advance. The participants began to analyse various scenarios, with Ogawa leading the conversation: 'Where could such products be placed?', 'Could you tell me more about the technology?'

'Shitty pitch' (*kuso pitch*), Ogawa muttered, while scrolling through the start-up's pitch on his side, the speakers making his voice deeper and more muffled than usual. The market estimate, which indicated potential markets as Venn diagram bubbles (as described in the previous section), was amateurish; for him, moreover, it was a 'lie' (*uso*). 'What the hell is that Excel sheet' (*nanda kono ekuseru*), he added, criticising the start-up's probabilistic future cash flow and revenue growth calculations. Hayashi now chimed in: 'How is the supply chain going to be managed?', without which information he could not decide whether to invest, he added.

I felt uncomfortable, and Nakagawa looked pale. He had become increasingly silent and stopped explaining or replying to what the other two participants said. Their criticisms were not wrong — they after all invoked points that might influence the start-up's probability of success. Ogawa, sensing the silence on our side, repeatedly appealed to Nakagawa, but to no avail: 'Come on, say something' (*ne nanka iuteyo*). Eventually, the

discussion ended with Ogawa summarising how information was missing, and how the market projection and revenue projections were superficial, making it all ‘a waste of time’ (*jikan no muda*).

The remaining discussion unfolded in a similar manner. Ogawa and Hayashi had more positive things to say about the second company, but many matters seemingly related to success probability needed to be clarified. The third one was dismissed. Its business model although popular in other countries would not work in Japan. Demand for such a service was too seasonal, Ogawa and Hayashi argued. Then the call ended.

I felt relieved that the call had finally ended. Nakagawa muttered to me: ‘This is tough (*tsurai*)’. We closed the meeting room without talking much; I left feeling I had done something wrong, and Nakagawa seemed distressed. Silence was the best we could do.

### The Importance of Affective Possibility

A few days later, Nakagawa scheduled a follow-up meeting to discuss what had happened. The meeting took place in Plug and Play, a co-working space also located in Shibuya (Appx. 12). Large automatic glass doors led to the office, located on the ground floor of a high-rise building in the district’s cluttered Dōgenzaka area right next to a large street. Plug and Play was used by people from various start-ups. Most of them sat in a large common area with white tables, grey carpets, stylish chairs in pastel colours, an adjacent coffee and tea area, and a small stage for events. At the back of the room, a large working area shielded by walls allowed for privacy.

There were again four participants: Ogawa, the fund advisor, Nakagawa, the fund partner, Okamoto, another associate, and myself. Hayashi did not take part, which made the meeting an internal occasion. It was a formal backstage meeting, and all participants

appeared comparably relaxed. This was the first time that I met Ogawa in person. Previously, other associates had talked about the fund advisor with the same mix of awe, bewilderment, and pride with which one might talk about a famous but distant relative. Ogawa was in his mid-40s, taller than the Japanese average, clad in black trousers and a leather jacket. Even though the meeting was inside, he wore sunglasses, sometimes moving his hands to skim through his fringe, which he had combed backwards. He leaned back, appearing at ease, one leg placed over the other, and talked in an articulate manner with a sonorous voice. While talking, he sometimes picked up his Mercedes key, placed near the centre of the round table around which all participants had gathered. Ogawa was here to summarise what had happened and to give insight into what could happen, and others listened, so it seemed.

Nakagawa should not feel obliged to fulfil some form of duty, he should not feel as if he was questioned, Ogawa began. If he had made up his mind, if he wanted to invest, then he should say so. Others in the meeting were there to provide help, alternative insights. Things such as the Excel spreadsheet, its formatting, or its contents were not important, these were frontstage formalities: ‘If you send the sheet in advance, we are not going to talk about it’. Using Facebook or other digital tools was fine, but ‘older guys’ (*ojisantachi*) just liked having a piece of paper (e.g. the spreadsheet that formed the basis of the meeting), Ogawa remarked with a hint of amusement in his voice.

Such pieces of paper provided common ground. Dentsu, a Japanese advertising giant, Ogawa explained, uses presentation slides in A3 format. Dentsu employees place such slides in the middle of a table, one slide deck to a group of people, so that everyone has to huddle together to see. The content of these presentations is at times purely evocative: ‘Instead of text, there is a huge picture of the sea’, Ogawa continued, his hands moving apart as if he was looking at it. The spreadsheet should do the same, provide common ground, give an idea, and provide the ‘feeling’ of shared knowledge.

Instead of relying on the spreadsheet, a moment of ‘Nakagawa time’ was necessary. For Ogawa, the style of Tsurube, a *rakugoka* (traditional comedic storyteller), was a good example of what he meant. In Tsurube’s interview show, A-studio, a monologue follows the interview and the departure of the interviewee from the stage and eyes of the live studio audience. Tsurube stands in the spotlight, in the middle of the stage, and summarises not the content of the interview but rather shares his impression, tells others what he felt talking to his interviewee. This was what Nakagawa should do regarding the founders and start-ups he wished to invest in. He should re-enact the affective elements of possibility that had been lost in the pitch ‘translation’ and the information sheet, Ogawa seemed to imply.

‘The match (*shōbu*) is decided in the first minute [...] you have to sell’; Nakagawa should ‘stage’ (*enshutsu*) what he wanted to say, Ogawa added. Then the investment decision meeting becomes a ‘space where one keeps pounding away at ideas, sentiments, wants, wishes’ (*omoi wo uchimakuru space*) independent of concerns. His comments appeared to suggest, that probabilistic worries about whether one had collected enough information or whether everything was correct or not were secondary. Nakagawa should clearly say ‘I want to do it’ (*yaritainsu*) if he wished to invest. Only after such ‘Nakagawa time’ could technicalities regarding the business follow, but one should always relativize their importance, and use sentences such as ‘we have analysed many things; that is to say (*nandesukedomo*), if you like you can read it (*yomitagattara yomeba*).’

Ogawa then looked at Nakagawa, and began in an encouraging manner to explain how he could stir the emotions of those listening. He reminded him of the ‘excitement’ (*wakuwaku*) that Nakagawa had shared on many occasions after encountering a person he liked, saying, after hearing their affective pitch, ‘There is something really cool [about this]’ (*nanka sugoinsuyo*). That was what Nakagawa should bring to the ‘Nakagawa minute’ and the investment decision meeting. He should confidently utter phrases like ‘I was told this

crazy dream (*wakewakaranai yume*)', to stress the exceptionality of the encounter. What he wanted to say didn't have to be long. One, two lines that 'sincerely (*majime*) express power' to capture the 'glamour' (*miryoku*) of what he had experienced and relay it to others sufficed, Ogawa continued.

If critical questions were to emerge from Hayashi, the bank partner, then Nakagawa shouldn't take them too seriously; not being able to answer, or not responding to, a question was fine. If Hayashi, for example, were to ask regarding supply chain issues (in reference to the investment meeting), Nakagawa should answer: 'The supply chain? That's old-fashioned [thinking]' (*sapuraichēn wa nanka furuissu yo*). Everyone at the table laughed. Listening to Ogawa, I felt relieved, as if Nakagawa and I had been cleared of something we might have done wrong.

In such meetings, people just liked to 'poke holes in people's heads' (*atama no kūkan*) by asking witty questions, Ogawa continued. This led to 'fruitless arguments' (*mudana giron*), as 'nobody [no investment] is perfect'. What counted was the impression the meeting left. There was meaning in everyone having been at the same 'place' (*ba*), at a certain moment in time. People shouldn't think: 'That was a great speech but what was that all about? [...]' Leaders, he concluded, were people who had the 'power of delusion' (*mōsōryoku*), people who can talk really passionately (*atsuku*). They were people who made others feel possibility, he seemed to argue.

At the end of the meeting I felt at peace, and Nakagawa was laughing. After listening to Ogawa, it seemed as if Nakagawa and I hadn't missed anything in our preparation for the call. All the doubts I had when analysing what the start-up founders had proposed when I was preparing the Excel sheet were not unfounded, but also not of great importance. It was not about presenting perfectly filtered, complete information. Analysis and documentation, it seemed, were probabilistic frontstage formalities within the unstructured, unregulated,

uncertain stage of seed stage investing. Such documents only needed to be prepared to free critical minds of their doubts and rational objections, so it seemed; due diligence needed to be done. They provided the base for an elaborate, affective re-enactment of possibility performances that should capture the imagination and unify the hearts and minds of those listening by transmitting the sensory knowledge that the seed VC had collected.

#### 4.4 Conclusion

In this chapter I have outlined three aspects of the possibility/probability tension relevant for the anthropology of the future. Such tensions become visible through emic practices aimed at eliciting trustworthiness between VCs and founders.

The first tension relates to the relationship of founders and VCs and the structural aspects that allowed VCs (the ones who ‘talk’) to profit from probability while founders (the ones who ‘do’) were often ‘bound’ to possibility. The second aspect is the tension between the idealist aspects of possibility and the morally ‘flexible’ logic of probabilistic profit maximisation. This becomes particularly visible in the context of venture capital event marketing and the presentation of entrepreneurship through *iketerukan*. Interlinked with economic pressures, those in charge of the preparation of the venture capital event *Entrance* decided to abandon concrete altruistic causes (*shakai kadai kaiketsu*) in favour of ‘entertaining’ or ‘fun’ presentation to maximise event attendance. The third aspect is how trying to discern what’s ‘real’ or ‘true’ in the context of pitching revolves around embodied and affective possibility and the cerebral, distanced modes of probabilistic reflection. As just outlined, depending on who one asks, one appears to be of greater importance than the

other. In particular, the performance of affective possibility as what sets ‘the person’ or the founder apart was of importance for the seed VCs with whom I interacted.

The relationships of founders and VCs revolved around attraction and convincing through pitching. In backstage and frontstage settings, VCs aimed to be those who empowered possibilities, idealist and utopian *bijon* that should fuel positive change in the near future. Ensuring *shakai kadai kaiketsu*, nurturing and empowering the ‘good’ that the ‘right’ founders could realise, was what *mura* VCs liked and how they defined their own role. The language and techniques of probability, on the other hand, were mostly limited to fund internal investment decision meetings (which were frontstage within the frame of New Venture but formal backstage within the broader frame of the *mura*). Probability similarly resurfaced in the informal backstage critiques of founders. While the first investor, the one who ‘makes’ the founder, was someone special, the continuous need to fundraise meant structural dependency on venture capital. Instead of building their businesses, founders had to focus on raising the next funding round. While they wanted to ‘do’ and realise idealist possibilities, they instead had to deal with VCs, those who ‘talk’ and select following an ethos of calculative probability.

Probability and possibility are, though, not clearly limited to one or the other group of actors in a manner reminiscent of class conflict, as in Appadurai’s (2013) argument. Founders similarly engaged in the probability-based logic of ‘conversion rates’ to maximise their social connectivity. However, fundamental differences in the positions of VCs and founders within the market economy appear to indicate ‘imbalances’ in the ability to engage in probability, which is linked to the possession of capital. Young *mura* founders were bound to possibility, their *bijon* of the near future, while VCs could profit without having to bind themselves to one possibility in particular. They could ‘make’ founders, select widely among different investment opportunities, and were in this sense flexible. They could profit

due to their probability-based ‘selector’ function even if some of the possibilities they ‘empowered’ failed.

The populist aspects of the ethos of probability are in conflict with dedication to idealist purposes such as *shakai kadai kaiketsu*. There is a difference between the communication of possibility and ‘maximising popularity’, the chance of future payoff, or conversion rates as the example of commercialised *iketerukan* appeared to show. Creating the appearance of *hanayaka* coolness through the use of ‘well-known’ faces, a great location and ‘fun’ activities is not the same as an idealist or altruist focus. It might, though, be the most efficient way of attracting a large group of future entrepreneurs-to-be. In the same manner, a start-up might generate sizeable returns or a great number of users independent of the thematic focus of its products. In cases such as the formal backstage preparations to Entrance, the way entrepreneurship was enacted and presented appeared to fall short of discursive ideals (*shakai kadai kaiketsu*). Rather than simply ‘greed’, in the case of New Venture such decisions appeared also driven by economic pressures.

A related conflict concerning the affective dimensions of possibility appeared to underlie the embodied pitch and its ‘distant’, probabilistic analysis. To appear trustworthy, founders gave convincing and confident pitch performances. Such performances seemed to figure as indications of what was ‘in’ a founder, characteristics such as *kiai*, *gattsu*, *genki*, etc. A good founder in the early stages of start-up funding was not only someone who had a good business idea, a good pitch deck or the ‘right’ background and life story, but someone who used all such elements to ‘deliver’ a sensory experience that relayed uncertain future projections in a convincing manner.

When seed VCs tried to analyse pitches they partly engaged in ‘distant’ modes of calculative engagement which focused on a start-up’s probability of success. New Venture’s investment decision meeting is an example of how such discussion could overly tilt towards

probability, a mode of reasoning that relies on data, input estimates, and stochastic projections. Due to the great uncertainty surrounding seed stage investing, the ‘real’ is often the founder in flesh and blood rather than their uncertain future projections alone. Economic theory comes here to an ‘endpoint’ (Miyazaki and Riles 2005) as stochastic models break down and ‘the affective’ assumes importance. Through ‘their person’, those who pitch affectively relay possibility, and once such affective dimensions disappear, the near future path they outline seems obscure. The mode of discussion becomes reduced to rational facts which are insufficient. Instead, to deliver the ‘full’ argument and fill in the gaps of economic theory breakdown, the VC should re-enact the affective exhilaration they experienced for others who had not witnessed the pitch.

What is possible and what is probable, then, revolves around different modes of reflection, one affective and sensory, the other restrained and rational. The rational, the world of projections and economic theories, though, is not a mode of reflection that can engage with uncertainty to the same extent as the affective. The uncertainty attached to seed stage *bijon* appears to necessitate affective and sensory ‘power’, which in intersubjective encounters elicits certainty regarding uncertain matters.

To engage with such uncertainty, investors harboured expectations regarding the ‘right’ pitch performance, *shakai kadai kaiketsu*, and technical restraints such as revenue growth projections. Such expectations exerted reflexive power. They encouraged founders to devise pitches which promise high growth and to present themselves in ‘correct’ ways. Fundraising processes were, in this sense, instances that predetermined the horizon of the possible. Investors not only selected which possibilities performed in which manner and by which people might become realities, but their expectations also informed what founders imagined as ‘temporally proximate’ (Zeitlyn 2015: 391). While Zeitlyn invokes Schutz to describe how the present appears as ‘sliding ensembles configured upon and configuring

pasts and futures' (ibid.), in the same manner the present expectations of others can confine and shape the futures and pasts we imagine. Questions such as 'to what extent can lower growth pressures expand the horizon of the possible?', or 'do the role and performance expectations of investors limit "otherness" (different manner of speaking, moving, thinking and such like due to gender, ethnicity, age, etc.) under the guise of probability?', emerge here and are partly answered in the following chapters.

'Who is a founder?' was, then, a question seed stage VCs and angel investors in the *mura* needed to answer. The manner in which they arrived at such conclusions, informed by the sensory experience of pitches (and related interactions), was one way of founder selection. While I have limited myself to a certain group of seed VCs in the *mura*, a comparable 'person' focus appears to be prominent outside of Japan (e.g. Gladstone & Gladstone 2002, Pozin 2015).

Within the *mura*, a focus on selecting founders who could perform convincing narratives of the near future seemed similarly to influence the internal norms and practices of trustworthiness in start-ups, as the following two chapters suggest. While the affective element of fundraising performances offered a way for VCs and founders to negotiate uncertainty through affect and investing 'in the person', they might similarly reward founders who, above all, excelled in the performance of such narratives. Within start-ups this appeared to correspond to conflicts surrounding the conservation of 'dominant' narratives and the demand for the equalitarian negotiation of such narratives.

## Chapter 5: Tempting and Haunting in Start-ups

Chapter 5 is the first chapter focused on an organisational context characterised by structural uncertainty, the early-stage start-up Twig (objective 2). As in chapter 4, the efforts people make to appear trustworthy are of interest (objective 3), however, the analysis is now centred on the trust-building efforts of founders or executives and their employees. The following paragraphs provide the necessary theoretic basis for the subsequent parts, which describe Twig in particular.

As previously outlined, the seed stage fundraising process revolved around the evaluation and projection of affectively communicated, idealistic possibility and its interrelation to calculative probability. Different structural positioning, economic pressures, and individual differences are factors that informed how interlocutors reflected upon such notions and related practices. In the centre of such fundraising process were pitches. These are performative narratives that interlink affective possibility practices with probabilistic assumptions to promote fictional expectations which appear to paint a clear path within an uncertain and unpredictable future. Once founders raise money, they and their teams embark on such predefined paths. The idea emerges increasingly as the ‘real’.

This process of emergence relates to the Weberian (1980) routinisation of charisma conflict (as outlined in the Introduction). A founder’s quasi-charismatic<sup>12</sup>, embodied plan of possibility puts in order what seems murky and uncertain. Such plans become soon

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<sup>12</sup> Weber (1980: 140) applies the term charismatic to leaders whose followers describe them as ‘supernatural’, ‘superhuman’, ‘extraordinary’, ‘exemplary’, or ‘sent by god’. They are set apart by characteristics not everyone can obtain. In Twig’s (Chapter 5) and Branch’s (Chapter 6) cases, the charismatic appears visible in how founders link their personal life history (who they are) with the startup’s future growth and ‘fictional expectation’ (what will be). These positions appear charismatic due to such embodied narratives, but they are only ‘quasi-charismatic’ as most people didn’t work in start-ups simply because of a founder’s charisma (one characteristic of Weber’s (1980) charismatic). They were also driven by economic pressures and *ownership* opportunities (see Chapter 6.4).

confronted with modern, bureaucratic measurement techniques which figure as rationalising (Weber 2001), ‘objective’ indicators that can both appear to confirm and disprove a *bijon* in the present. Alternatives to one particular set of fictional expectations and the community in which they are embedded in, temptations or spectres (further elaborated below), soon emerge and threaten the start-up team’s cohesion.

Making pitches ‘emerge’, building the near future in the present, is thus not an easy feat. Disruptions to people’s belief in fictional expectations are common. Changes can be sudden, and negotiating change rather than ‘only’ the projection of a plan for the future suddenly assumes importance. One way in which the importance of such negotiation can be understood is in regard to the role of ‘what if’ when actors engage in ‘building’ the near future. In her article (2013), de Abreu takes up Guyer’s (2007) analysis of the near future (as outlined in Chapter 3) as an ‘evacuated’ space, and contrasts it with Zaloom’s (2007) seemingly opposed argument that the near future is ‘teeming with activity’ (Zaloom 2007: 444). In de Abreu’s (2013) view the near future appears ‘evacuated’ precisely because it is ‘teeming with activity’. This, she argues, relates to technology, which in itself creates more and more potentialities. Monitoring technologies employed in the ‘War on Terror’, for example, make the ‘pre-emptive’ the dominant mode of operation, focused on the identification of potential threats rather than countering a defined enemy. Similarly, the narratives surrounding events such as the Arab Spring become amplified by the inclusion of social media, providing multiple potential narratives that insinuate various scenarios or ‘what ifs’ (What if Mubarak steps down? What if the army intervenes? What if Western countries protest?).

There are parallels between de Abreu’s (2013) conceptualisation of the technologically-amplified ‘what if’ and the notion of haunting discussed by Zeitlyn (2020) in reference to Derrida’s ‘hauntology’. Haunting makes visible how both the future and the

past (regrets, mistakes, guilt, etc.) appear as parts of the ‘virtual’ which haunts people in the ‘now’. Both can emerge as spectres, the future taking the form of ‘anticipations, fears, and morbid dreads’ (Zeitlyn 2020: 500, cf. Fisher 2016).

Spectres and the virtual relate more broadly to what proponents of the general unsafety theory of stress (GUTS) describe as being ‘ever at the ready for events that never happen’ (Brosschot 2017). People continuously negotiate impulses of ‘fight or flee’ (Pels 2020), and without indicators of safety that inhibit stress they exhibit an embodied stress response. Such indicators of safety can be seen as socially constructed (group membership, economic stability, family ties, etc.) and the stability of such indicators is what spectres can disrupt. In this context, the terms stress, haunting, and threat appear to invoke the negative potential of the virtual, but in the *mura* what can haunt founders can also be what tempts employees due to their different orientations towards the virtual. Employees are comparably ‘free’ — they can choose to change jobs and group affiliation — while founders are more strongly bound to *their* start-up and a particular possibility.

Information about other fast-growing ventures might haunt founders: ‘What if other start-ups raise more money than we do?’, ‘What if other industries are growing faster than the one we are in?’, or ‘What if we can’t step into the limelight of internet discourse?’ Such thoughts partly relate to the dislike of those who ‘talk’ described in Chapter Four. They relate to the struggles of founders to project *konfidensu*, to raise funds, to overcome a VC’s probability-informed concerns and ‘selector’ function so that they can ‘do’ and realise possibility.

For employees, on the other hand, similar news can be ‘tempting’, evoking the impression that they might be well advised to switch start-up, that there are greener pastures elsewhere (‘What if that start-up is growing faster?’, ‘What if working there is more fun?’),

etc.). Such 'temptation' relates to what can colloquially be termed FOMO (fear of missing out); it fuels hopes and dreams outside of the collective goals one pursues at the moment.

There also appears to be an element of choice to such thoughts. People can choose to focus on 'what if' at the same time they are, though, able to embrace and concentrate on a particular possibility that unites a group of people who work together with them in *their* start-up. In the *mura*, technologically advanced temptations provide in this sense an ever-present pool of alternative futures which can attract people's attention once their dedication to a particular possibility falters.

Partly to engage with such technologically amplified 'what ifs', and to avoid the impression of 'faltering', the founders I observed appeared strongly focused on controlling discourse within start-ups, on establishing and conserving a particular dominant *bijon* of the near future through embodied and discursive means. This is apparent in the event of failure or sudden change, as such events are emotionally disruptive: they make people aware of the uncertainty lingering behind the straight road of planning that characterises everyday work, revolving around how one step should lead to the other and produce the desired result.

What seemed to 'evacuate' the near future in the *mura* start-ups I observed extended beyond the threats of contemporary news media on which de Abreu (2013) focuses. This related to the mass media of social networks, which has become in itself increasingly personalised beyond 'traditional' TV or newspaper media discourse. The 'imagined community' (Anderson 2006) has become a plurality of 'imagined communities', or increasingly 'liquid', to borrow Zygmunt Bauman's (2000) terminology. The term liquid describes the increasing loss of permanence in an ever more mobile and connected world, within which technological advances and interconnected markets coincide with transient connection on a human level. Bauman's analysis is pessimistic, and appears to posit a teleological ever continuing 'modernity', a disintegration of what's 'solid'. One way in

which this could be partly paraphrased for the context of the *mura* is that, due to increasing technological advances and ‘liberalising’ reforms (labour flexibilization, marriage law liberalisation, work visa reform, etc.), people in developed societies such as Japan become more and more connected and ‘individualised’. This also means that the strict reliance on the ‘community’, the ‘neighbourhood’, or the ‘family’ appears increasingly optional, partly because of a decrease in economic stability, and partly because interconnectedness makes it easier to transcend ‘traditional’ networks.

One characterising example of how interconnectedness becomes the source of temptations is how people in the *mura* followed various Twitter feeds which, as recommendation algorithms, are creators of ‘information bubbles’, flexibly adapting and adaptable to a user’s preferences. In the *mura*, Twitter, Facebook and internet news communicated ‘the latest’, and this informed the exchanges of people. As doctors, lawyers or structural engineers might talk about their colleagues and organisations similar to their own, people in the *mura* shared information about other start-ups, VCs, tech trends, etc. What is particular about such exchanges is how they revolved around temptation, how there might be a better possibility somewhere else, e.g.

- A: ‘Did you hear company X raised 1 Oku Yen?’
- B: ‘Yeah, VC Y invested, right?’ [...]
- A: ‘Have you heard about start-up C?’
- B: ‘They build a service that helps people do...’
- A: ‘Right, their revenue grew 130% last year.’
- B: ‘Wow! It’s just like start-up D.’
- A: ‘Yeah, their *seichō* has been crazy! That’s the trend now.’

Rather than a simple exchange about common acquaintances or the same three or four big players that dominate an industry, talk in the *mura* revolved around what was emerging. This necessitated constant ‘updating’: start-ups are constantly changing and there is always something ‘new’. To be included, one needed to stay ‘updated’ and follow the news as Matsuda, an intern of Twig, described:

*This VC is now in that situation, I just feel like saying, ‘Ooohh’ (heee), if this happens to someone who has no idea [about start-ups], they will be like, ‘what are these people saying?’ (nani itteiru), [...] To fit in, I also started to do some research of my own, I began to check Twitter feeds [...] that helped me get included in the talks [...] it’s an icebreaker thing, everybody shares certain topics (wadai).*

Such technologically amplified ‘what ifs’, in conjunction with malleable structure and the structural pressures of the venture-capital-funded high growth model, appeared to manifest themselves in two interrelated spectres that haunt start-ups: ‘growth failure’ and ‘team decay’.

Growth failure, failure to achieve economic growth or growth in indicators of potential economic growth (user numbers, new inquiries, new sales leads, etc.) haunts start-up teams and seems to open the door to various temptations for employees and executives. In ‘cash-burning’ start-ups, being able to indicate sufficient growth (usually around >100% revenue growth per year in early stages) means one can likely raise the next funding round from VCs before one’s capital reserves ‘burn’ away. The date when capital reserves are depleted can be projected into the future by subtracting a start-up’s running costs, its burn rate, from whatever cash reserves one has now. At the same time, this also provides an ultimatum for the growth goals a start-up has to fulfil. Such points in the future, then, allow for linear ‘trendline’ projections which indicate various intermediary goals (e.g. weekly, monthly, and quarterly) that teams try to meet. Consistent failure to achieve such goals and other disruptions to these projections often ‘wake’ the spectre of growth failure.

Team decay can ensue in reaction to growth failure, and, conversely, markers of team decay such as internal strife and the inability to reach common ground also appear as catalysts for growth failure. The notion of decay seems fitting, as it implies a slow wilting process that often begins with distancing, strife, resignation, or estrangement before people decide to follow various temptations outside of *their* start-up. Ensuring that, despite the spectre of growth failure, unity rather than disunity prevails, founders often engaged in

various discursive and embodied ‘prevention’ efforts that stressed people’s agency and ability to foreclose what was about to happen. Rather than let their imagination wander towards the ‘threat’ of impending doom, they should focus on what they can do ‘now’, ‘as a team’, ‘collectively’ to prevent what might happen.

Spectres and temptations are then notions which can destabilise a shared belief in fictional expectations projected by a founder or others. They broadly relate to the diversity of technologically amplified discourse and the imaginations of people which conjure alternative realities. Such alternatives can appear in conflict with particular sets of embedded fictional expectations. Bureaucratic measurement techniques figure in this context as one particular method of ‘reality’ evaluation. They can ‘objectively’ indicate what functions and what doesn’t and potentially undermine fictional expectations, while they might empower spectres and temptations. Incongruencies between fictional expectations and the present ‘realities’ that drive spectres or temptations necessitate for many compromising and open discourse. It is often such communicative engagement which appears absent for the majority of interlocutors in the cases of Branch and Twig, as I will outline in the following sections and Chapter Six.

### The Roles of Founders and Employees

Before I explore these notions further, it makes sense to outline briefly the frontstage role ideals of employees and founders which reflect how what appear as spectres for founders can be temptations for employees. Founders see themselves as people who ‘talk about dreams’ (*yume wo kataru*), who ‘make profit with the *bijon*’ to ‘build a world’ (*sekai wo jitsugen*). They are ‘navigators’ who decide ‘how one wants to build the future’.

Employees mostly echo such comments. Founders are ‘a spiritual symbol’, ‘visionary’ people who can ‘narrate a dream’, who encourage others despite challenges by communicating that ‘it seems impossible but we have to do it, no matter how’ (*dō yara yaranakya*). They are the ‘main drivers of the organisation’. They should have ‘a clear *bijon*’ from which all else follows, meaning ‘what the boss thinks, the team does as well’. These visionary aspects are part of definitions which also describe their administrative tasks: ‘they manage financial aspects and reputation’, ‘hiring and creating an organisation’, or ‘people who start a company and take risks’.

This particular discursive focus on possibility, on ‘dreams’ (*yume*) and *bijon* rather than plans, strategies, or bets, appears related to what Whittaker et al. (2009) describe as a ‘lifework’ approach characteristic of Japanese entrepreneurs. Unlike UK entrepreneurs, who have a ‘project’ based approach, Japanese entrepreneurs link their entrepreneurial ambitions to their ‘life’: they identify who they are with what their business is doing and are consequently unlikely to consider options outside of the business they founded. Whittaker et al.’s (2009) study does not focus on venture-capital-funded start-ups in particular, but the lifework concept they describe appears, nevertheless, relevant. There are parallels between lifework and the language of possibility that founders and employees invoke to define founders, a language which stresses purpose rather than detached, ‘project’-like engagement focused on the probability of exit, profit, or capital return.

To demonstrate how a different approach might be characterised, the only project-like definition among employees and founders is relevant. Hiro, a non-Japanese employee who studied in the US, defined building a start-up as a form of ‘gold-mining’. VCs provide ‘tools’ for founders who are ‘the adventurer’ and choose particular plots of land. The ‘adventurer’ then hires ‘workers’ to ‘help him execute the plans’. If they find no gold, they move on and try again.

While *mura* founders see themselves as those who have a *bijon* which they try to build by ‘stabilising’ the start-up, they often define employees as those who have a duty to ‘believe’ and commit to the possibility founders promote. Employees themselves, on the other hand, tend to portray themselves as opportunistic or liquid actors open to other temptations.

The insistence on dedication to possibility is best reflected in how Branch’s founder, Wada, defined employees as *believers* (see also Chapter Six):

[Those] who realise the *bijon* of a company [...]: to deduce from the *bijon*, to become a part of the *bijon*, is the responsibility of employees, that’s what they are paid for; [this creates a] monolithic organisation which is strong.

Similarly, Yokoyama, another early-stage founder, pointed out how he ‘wants everyone to be one type of person’ as ‘value diversity’ is an ‘evil’ (*aku*). Instead, ‘one needs to minimise doubts (*mayoi*) in decision making, make the [company] culture “one”’. Similarly, employees pointed out how their role ideal meant they had to ‘follow’ (*shitagau*) the possibilities and values founders promoted.

Overall, though, such views were rare among employees (see also Chapter Six), and critical attitudes regarding the efforts of founders or managers to enforce belief in possibility were abundant. As actors, most employees have a strategic interest in being constantly on the lookout for temptations, as they do not have extensive company share ownership, which limits their potential financial benefit, and rarely stake their reputation or make promises to other parties (investors, business partners, etc.) to the same extent as founders.

They portrayed their loyalties to the start-up in a more functional manner. They have a ‘narrow scope’ (*sukōpu wa semai*), they are those ‘making products easier to use’ (*yorit tsukaiyasuku*), and ‘ensure an easy-to-work office atmosphere’ (*hatarakiyasui kankyō*). For some VCs, they are similarly ‘one grain’ (*kona*), they ‘work to help grow the business’, they are the ‘wheels’ of the start-up which appears as a ‘moving car’ driven by the founder.

These different, structurally-anchored near future orientations of employees and founders inform how they view the future, and this resurfaces in conflicts, the different opinions people have when they reflect on the spectres of growth failure and team decay. Founders are, in such role ideals, those who ‘carry’ and embody a *bijon* while employees ‘execute’ following such plans. To provide further insight into these engagements with the near future, I will in the following parts first focus on Twig, an early stage start-up within which the spectre of growth failure present on the company-internal frontstage appeared to underlie inner strife, disunity and eventually the team’s disintegration. In Chapter Six I will outline Branch, a growth stage start-up which seemed characterised by frontstage efforts to engage with the spectre of team decay. Irrespective of such efforts, missed revenue goals and strategic disagreements in the executive layer led to the start-up founder’s eventual resignation.

## 5.1 Twig and the Spectre of Growth failure

Twig’s case shows how different practices that executives apply to engage with information that ‘summons’ the spectre of growth failure can create factions within start-ups. Start-up employees who sided with one executive or another perceived what the ‘other’ side did as expressions of ethical failure. They judged such practices as ‘good’ or ‘bad’, while the executives who actively aimed to control the spectre of growth failure appeared driven by efforts to conserve hope, motivation, and thus also avoid team decay, which they defined as part of their role (Mauss 1985).

The factions resulting from such disputes were reflective of the Weberian (1980) routinisation of charisma conflict. The founder, Higashino, assumed a quasi-charismatic role

by controlling discourse and the company internal frontstage through embodied and affective means. Twig's *bijon* was the result of *his* life story. The COO, Kanda, on the other hand invoked bureaucratic concerns related to transparency, KPIs, and accounting. Both executives negotiated against the spectre of growth failure. Higashino seemed focused on controlling frontstage discourse to avoid the emergence of negative and demotivating spectres. People should trust his *bijon* and follow him. For Kanda it was exactly such frontstage control which was in conflict with transparency and which thus threatened Twig's economic survival.

Within Twig, having to achieve *seichō* meant continuous change and experimentation in terms of product (its design, functions, presentation, etc.) as well as organisational matters (who takes part in meetings, how often should they happen, what should be discussed, etc.). For the company's executives, speech, performance, humour, and narrative were the means they used to frame change positively. For Higashino, 'leadership' in Twig appeared to be defined through such framing efforts: 'Making things fun even if they are not is a boss's job' (*tanoshikunakutemo tanoshiku yarusowa shacho no shigoto*).

In addition to humour and the embodied efforts of executives, the start-up was held together by a sense of 'bottom-up' connection. Frequent communal events created an informal atmosphere characterised by bonding and 'fun', similar to a 'student circle' (*sākuru*). Despite such casual interaction, reminiscent of joking relations, the start-up was still hierarchical as not everyone joked 'equally'. It was mostly executives who engaged in nicknaming or teasing. Executives were also those who 'plan' the near future, explaining or commenting on what would happen or what was going to happen.

Within Twig, the spectre of growth failure was clearly visible for the ethnographer once an accounting mistake shortened the time the start-up had 'left' in such projections, and thus also increased the growth goals the team had to meet. Instead of an initial timeframe

of 9–10 months, Twig’s financial ‘runway’ was shortened to 6–7 months. This caused considerable conflict in the executive management layer, and disputes regarding what should be said or ‘confessed’ on the start-up-internal frontstage and what should not be said and why.

Were accounting mistakes something to be discussed openly, or would this be detrimental for the motivation and cohesion of the team? In this context, the different backgrounds and roles of the executive members appeared to collide. The founder, Higashino, and the CTO, Matsumoto, like many *mura* founders both started the company as university students and lacked extensive experience in other business organisations. The COO, Kanda, on the other hand had worked in the sales department of a large IT corporate before he joined Twig. This led to a difference in ‘style’ (*sutairu*), as Matsumoto recalled. Matsumoto usually wore her curly hair shoulder-long and dressed in street clothing. She often spoke with great emphasis and a distinct Kansai dialect. She and Higashino excelled at hands-on execution focused ‘doing’, skills they needed to master the initial stage of start-up building. Unfamiliar with the pressures of economic measurement and valuation, she perceived herself and the founder in contrast to the COO:

I think we made a lot of mistakes, there were so many things [the founder and I] didn't know, we had to learn [...]; all in all, the phase was different [...]; if you work frantically, everyone can do [what we had achieved], [but] we could not change our style. Kanda or others in particular thought that about me or the founder; Kanda was someone who had worked ‘full steam’ (*gattsuri*) in [a large Japanese IT company], he knew that’s how you have to work.

These different perspectives led to divides within the start-up, with many team members embracing the stance of one executive or another, invoking ethical judgement — that what was said or failed to be said regarding the accounting mistakes was a reflection of the executives’ conscious choice, definitive of their character. Despite such divides, collective,

potentially divide-bridging events were reduced, often with reference to efficiency and cost concerns which seemed to further team decay.

Eventually, the COO decided to quit, which was followed by the CTO and the majority of employees resigning as well. Many of those who resigned expressed distrust of the founder and doubts that, without the COO, the company could achieve the growth they had hoped for, as without transparency they had lost the trust of investors. Those who stayed or defended the founder made it clear that believing and protecting possibility was a founder's role and criticised the COO's behaviour as 'disloyal'.

In the following sections, I will introduce Twig's team and its small, intimate office space which allowed for daily interaction between all start-up members. Then I outline the company's business model and how Higashino's parental and embodied role understanding was perceived and enacted within the company. What seemed to define his quasi-charismatic authority was his ability to 'transgress'. When others talked in frontstage settings, Higashino could interfere. When it was his turn to talk, others should stay silent. Similarly, it was Higashino who assigned nicknames to others, while he carefully controlled his own discursive 'image'. Such practices elicited critique in informal backstage settings. People felt their opinions were not taken seriously. Others, though, pointed out that the founder's behaviour was correct and in accordance with his parental role.

In the following section, I describe how the company's COO, Kanda, was involved in the introduction of bureaucratic measurement techniques. I focus here first on the ubiquity of measurement within Twig, then I outline the difficulty inherent in measuring and understanding what's 'real'. I describe a business meeting where the COO used measurement in performative fashion to convince others. I also outline how the introduction of employee performance-related KPIs elicited conflict. Was transparent measurement a matter of egalitarian fairness or of hierarchical control?

In the final section, I describe how people were divided over the correct handling of accounting mistakes. The COO and other employees seemed to favour transparency. This meant a disclosure of accounting mistakes and clear accountability. For others, such transparency was less ‘virtuous’ as it also entailed strategic information disclosure and blame. Instead, they sided with the founder whose ‘real’ confession of mistakes, shortly before the team broke apart, elicited trust. Conversely, those who left Twig felt that they couldn’t trust the founder’s continuous lack of transparency. What preceded the team’s disintegration were several symbolic developments which I also outline (open strife on the internal frontstage, doubt regarding the start-up’s fictional expectation, efficiency-driven reduction of communal events).

#### The Socio-Economic Background of Twig’s Team

During fieldwork, 6 of the start-up’s 12–13 regular employees (including executives) were in the start-up because they identified with the company’s altruistic, foreigner-focused *shakai kadai kaiketsu* goals (while most of them also perceived *ōnashippu* as important). For 5 of these 6 members, this was deeply intertwined with their own life history. They were of mixed ethnic heritage or had spent extended time outside of Japan. There was an employee who had emigrated to Japan, and the COO was Japanese but had finished his early school education abroad. The CTO had acted as a mentor for foreign students during her studies, and was moved by the difficulties such students had when they looked for apartments or jobs. Others, such as Keiko, a business team employee, liked ‘foreign’ things, spent time abroad, were fluent in English, or engaged in hobbies related to non-Japanese cultures. In addition to regular employees, 4 people who had been associated with the

company as interns or non-regular employees throughout fieldwork shared similar backgrounds and interests.

Only 3 members had in informal backstage settings articulated that their interest in joining Twig was due only<sup>13</sup> to career-related interests, the advantages or experiences they could gain through *ōnashippu*, by assuming responsibility and control over particular projects. Although the remaining 3 members did not indicate why they joined, it can be said that collective identification with the altruistic element of the company's *bijon* was widely portrayed on the company frontstage. Even employees who were not initially familiar with altruistic motives could, through Twig, come into contact with colleagues who themselves embodied 'foreignness' and empathise with their problems.

Besides shared altruistic interests, a characterising feature of the start-up was youth and, accordingly, relatively short working careers. Only 3 of the 12–13 regular employees were in their mid- to late 30s. 9 members were in their 20s, with the youngest being 20 years old. All members of the executive team were around 25–26 years old. Most employees (except for 1) had between 2–3 years of prior full-time working experience. Among the executives, only the COO had worked as a regular employee before, while the CTO and CEO had been involved in Twig since their university days.

In addition to the team's youth, most employees had joined the company within the last six months, following its relocation to Tokyo from the Kansai area. Higashino's successful Series A raise allowed, but also mandated, the transformation of Twig from a small side-project into a larger organisation to satisfy the revenue growth expectations (roughly >100% over the course of around a year) that were attached to such investment. Only Higashino and the CTO, Matsumoto, had been with the company longer than six

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<sup>13</sup> All 9 interlocutors asked, indicated an interest in *ownership* more generally.

months, although the COO was already loosely involved with the company years before its relocation.

The company's gender balance was quite even, with 6–7 female members (out of 12–13 regular employees), including one female executive (the CTO). Formally, the hierarchy was flat between employees, while the three executives (CEO, COO, CTO), in particular the COO, Kanda, and the founder, Higashino, were in superior positions. The company consisted of 12–13 regular employees (including 3 executives) who were all mostly in their mid-20s. There was further one full-time, non-regular employee. The difference between full-time regular and full-time non-regular employees was practically invisible. There was no distinction made as long as they all came to the office five days a week and involved themselves in communal activities. At times, the company experimented with middle manager positions, but these were often positions that would be abandoned or did not have any apparent function, as most decisions, communication and supervision were made by the top executive layer.

The start-up members were further divided into four teams (customer success, engineering, business, back office). At the outset, the four teams reported to one of the three executives, meaning each executive had their own team, with the COO overseeing two teams. The founder would, though, involve himself in different teams when he felt the need to do so, which could be interpreted as reflective of his superior position.

### Twig's Office

The manner in which start-up actors share space influences their understanding of time. What they experience together (performances, discourse, affect, etc.) appears to be part of how they engage with particular notions of the near future. As previously outlined, people

across fieldsites described a common discourse of temporal orientation, an appreciation for malleable structure in opposition to ‘unattractive’, ‘old’ bureaucratic corporates symbolic of lost decades. While such broad orientations appeared to transcend strict spatial boundaries, once the conceptual frame became repositioned towards the exploration of particular near futures the spatial still appeared dominant. Instead of mainly being ‘sometime’ (Dalsgaard and Nielsen 2013: 5), concrete understandings of ‘sometime’ seemed to emerge clearly once people were also gathered ‘somewhere’, which relates to the bonds start-up actors developed through collective events and the roles of executives as those who framed and performed near futures through embodiment.

In Twig’s case, its location appeared symbolic of ‘sometime’, while its office configuration seemed to allow for local near future projection and spectre prevention. Twig, like many other start-ups, was based in Shibuya (Appx. 12), one of Tokyo’s trendy and youth-focused entertainment districts. Such trendiness seemed to match the *hanayaka* assemblage of youth, *iketerukan* and entrepreneurship that *mura* frontstage narratives projected (as outlined in Chapters Three and Four).

While trendy, Shibuya was large and not every part of the district was clean or quiet. Twig’s office was removed from the modern skyscrapers and light-filled offices of larger corporates. It was located on the upper floors of a narrow office building in the middle of Shibuya’s Dōgenzaka, an upward sloping street (*zaka*) and nightlife area, lined by many small restaurants, bars, karaoke places, adult amusement establishments and shops, with several department stores in its vicinity. The streets in this area of Shibuya were comparably narrow and usually full of people. When walking to the office from the train station in the morning hours through side streets, the garbage stench of one of the surrounding restaurants was at times difficult to ignore.

The start-up's office building entrance was newly renovated. It appeared modern, with its metal design and white neon lighting, although the building itself was more than 20 years old. Two small elevators that could transport 4–5 people served what was roughly a 15-storey building. In the morning, employees of various companies located within the building often formed queues in front of them.

Twig shared its floor with another company. The start-up's office could be accessed through a modest entrance that resembled an apartment door. When turning right from the entrance area, one entered the main office (around 50m<sup>2</sup>) which had large glass windows overlooking Shibuya on one side. The whole office could be traversed in six big steps. If two people talked normally, everyone else inside the office could hear them. This geographic proximity made it easy for executives to engage in embodied efforts when they negotiated near future plans.

A tiny storage room filled with all sorts of office materials — a small fridge, coffee, unused chairs, and so on — was in one corner of the main office room. To the left of the entrance area was a meeting room (around 12m<sup>2</sup>) separate from the main office area with a black table, four seats, and a display. The room had no windows.

Within the main office, 10–15 people usually worked at the same time. The room had one main desk area, with roughly 10 desks and computer displays, as well as an area consisting of sofas and a table right next to the entrance. A bookshelf separated the two areas. The sofa area itself was slightly elevated due to an additional wooden floor placed on top of the whitish-grey laminate covered cement floor. While the sofa area was where people relaxed and left souvenirs (*omiyage*) or presents, regular meetings were also held in the area and team members worked there occasionally to enjoy a 'change of scenery'.

Although the company was known to have 'free seating', throughout my fieldwork the seating order did not change much. The first row of tables behind the sofa area was

occupied by the business team (3–4 people), including Kanda, the COO. Behind the business team, the engineering team (3–4 people), including the CTO, Matsumoto, was based. On the right side of the room, nearest to the door was the customer success team and its 3–4 members. An additional table placed there was also used by interns (such as myself) or other employees. Behind these tables was the back-office team (2–3 people), sitting almost parallel to the engineering team. At the very end on the right side, behind all employees, Higashino, the founder, would sit alone at his desk, overseeing the whole office, which seemed to stress his hierarchical position and appeared reminiscent of how department heads (*buchō*) in large Japanese corporates sit (Rohlen 1974).

## 5.2 Higashino's *Bijon* of the Near Future

In this part I outline how Higashino appeared to assume a quasi-charismatic, i.e. affective, visionary, parental position, and how people reflected upon his efforts. I describe how he discursively interlinked his life history with the company's *bijon* and its business model. Then I describe several episodes which appear characteristic for the manner in which he enacted his parental role. In such instances, Higashino engaged in boundary transgression. This means he acted in ways which exceeded 'formal' or professional behaviour. He interrupted others when they were on the frontstage, assigned nicknames, and instigated playful teasing. While people often played along with such practices on the frontstage, in informal backstage settings some were critical of such 'transgressions' and their lack of voice.

## Twig's Business and Higashino's Life

In terms of its business model focus and founder team, Twig's team is a good example of many *mura* ventures. Like others, they pursued a consumer-focused IT business and its executive team were in their mid-twenties. The founder, Higashino, established Twig while studying at university, and early on obtained the support of Endo Kensuke, a high school dropout turned successful serial entrepreneur who operated *LiberaPlace*, one of the *mura*'s local social circles where young entrepreneurs-to-be gathered (outlined in Chapter Four). Higashino was of pale complexion, as tall as the Japanese male average, and often combined a formal shirt with jeans or other informal trousers. He spoke in a clear and rhythmical manner with a slightly nasal and distinct voice.

Higashino intertwined the company's business model with a language of possibility focused on his personal family history. He turned Twig and its *bijon* into his lifework. When presenting his business, he frequently invoked his family background as a Zainichi Korean<sup>14</sup>, an ethnic minority that during the post-war era had been discriminated against (e.g. Lie 2008, Ryang and Lie 2009):

The reason why I was able to develop my business with a lot of passion (*takai netsuryō*) also relates to my background. I have Japanese nationality, but not Japanese blood. According to my grandfather, living in Japan was very difficult (*kurashizurai*) for Zainichi. Sometimes he got fired immediately after getting a job at a company. Due to this environment my grandfather founded a company to support his family. Also, my father is a dentist. In jobs such as lawyer or doctor there seems to be less ethnicity-related discrimination, [and] that's why my grandfather wanted him to become a doctor.

This understanding of lifework was similarly invoked by the company's main Series A investor, Ikeda from Start-up Partners, who like other seed investors focused on investing in

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<sup>14</sup> Since the 1990s Zainichi Koreans have become increasingly vocal about their ethnic identity, one prominent example being the Softbank founder and multi-billionaire Son Masayoshi (Ryang and Lie 2009).

the ‘right’ person (see also Chapter Four). After meeting Higashino in a start-up related event, he decided to invest:

The reason that [our fund] invested was Higashino’s inner hunger (*hangurī-sa*) that came from his personal experience. [...] Investing in the early stage depends more on the entrepreneur’s character (*ningensei*) than the business model. Entrepreneurs who want to build a business, sell it quickly and become investors are not unusual. However, [...] I wanted to work with someone who had a bigger sense of the world (*sekaikan*). Higashino was in every sense (*masani*) the ideal entrepreneur (*risō no kigyōka*) I envisioned.

As a result of such investment and Higashino’s personal history, Twig’s service *bijon* came into being. Twig built an app and internet-based platform to satisfy all the needs of a growing group of non-Japanese inhabitants. The country’s declining population, a need for a young, qualified workforce, and the government-led promotion of tourism would lead to ever-increasing amounts of foreign residents. Due to language barriers and cultural differences, foreigners are likely to struggle, and this is where Twig would become involved by providing services that helped foreigners with their daily lives (shopping, finding an apartment, job seeking, etc.). By providing such services, the start-up would achieve its *mission* of ‘making the lives of foreigners in Japan plentiful’ (*nihon ni iru gaikokujin wo yutaka ni suru*).

Building a platform that addressed the needs of all foreigners at once was difficult. The start-up thus began by providing a language learning service, which allowed users to match with other users who registered themselves as teachers. Teachers and students could ‘match’ freely using the platform, and meet up for language lessons in cafés or similar ‘public’ places. The company handled payments through the app and charged a fee for each lesson, which then generated revenue. Every user could become a teacher by registering and passing a quick background check.

## Parental Boundary Transgression

Higashino's life history and the business model just outlined make Higashino's personal background appear as what Fernandez (1986) describes as the rhetorical category of the 'inchoate', the uncertain, unknown, or threatening in human life. People make 'movements away' from the inchoate: they create plans which eventually result in performance, modes of action and reaction. By positioning the fate of past generations of Zainichi as the inchoate, Twig became the consequence of actions taken in reaction to Higashino's family history rather than the result of neoliberal market making, speculative thought, or personal ambition. Higashino and Twig aimed to build a better near future and contribute to the amelioration of past wrongs. This was a powerful narrative which was also adopted by other start-up members who appreciated his parental role.

Employees who sided with the founder stressed in backstage contexts how he 'liked to talk to everyone, like a family' (*mina to shaberuno ga suki, kazoku mitai*). When I indicated that it was difficult to make the founder change his mind, Ninomiya, an experienced female employee in her late 30s, explained to me that this was what he had to do, that it was his role linked to his family history, and it was everyone else's job to 'help realise his *bijon*' (*bijon wo jitsugen saseru*).

Such views appear supportive of the manner in which Higashino controlled the company frontstage. What appeared characteristic of Higashino's control efforts were forms of boundary transgression in settings or situations where others entered the company's internal frontstage. Such boundaries describe immediate, contextual group dynamics (e.g. listening as everyone else does) but also broader discourse of manners and mores (e.g. how one should behave when someone else talks), as group dynamics themselves might be. Similarly, he transcended and controlled discursive frontstage boundaries by defining the

discursive frontstage selves of others and himself as well as the company's goals and purpose.

These actions were often accepted within the company's frontstage as they appeared to reflect role and working consensus: they were 'what a founder did', while they also defined and enforced such norms. Such boundary transgression was, then, usually greeted with laughter. This appears related to how humour itself arguably revolves around unexpected, unusual, out-of-bounds associations or images (cf. Carty and Musharbash 2008). Such transgression also appears reminiscent of equalitarian 'joking relations' (Graeber 2007), of how instead of formal, 'proper' and distant behaviour people 'make fun of one another, tease, harass, even (often) make play of attacking each other' (2007: 17).

In Twig, such behaviour at times appeared as an expression of intimacy beyond formal hierarchy, which fit the *hanayaka* aspects of the *mura*, but at the same time these exchanges were also strangely hierarchical, as not everyone could 'joke' in the same manner. Teasing and nicknaming were actions executives, and in particular the founder, engaged in while others did not. Later on, once inner strife became apparent, more critical reflections regarding the founder's behaviour emerged in the informal backstage of intimate lunches, dinners, or interviews.

First, I will in the following sections outline how Higashino's role performance revolved around frontstage dominance which appears reminiscent of how a 'protagonist' in a theatrical play might always be in focus. Even if others were on the frontstage, Higashino could interfere at will. The same dominance was visible during instances of 'playful' nicknaming. Only the founder defined others discursively, while he carefully controlled what was said about him. In the last section, I summarise how people criticised such role performance as it limited their claim to 'authorship' (Goffman 1981). Despite their

frontstage compliance, they lamented their lack of voice regarding company strategy and direction in informal backstage settings.

### The Founder as Protagonist

The following are examples symbolic of Higashino's frontstage boundary transgression. Such was particularly visible in moments where others were on the frontstage. Not unlike a protagonist in a play, Higashino appeared to be always in the limelight and thus he could also interrupt or disturb others in playful fashion.

In meetings, for example, Higashino would frequently and subtly seek to connect with others while someone else was on the frontstage. He indicated his interest in certain content on his smartphone by displaying it to his neighbour. He looked into the eyes of people sitting opposite him, nodding his head to signal agreement with them or with what was said. When necessary, he would scold people for their behaviour and interrupt others who were talking:

‘You just played around! This is similar to making fun of someone (*asondayone! Baka ni shita to onaji*)’. As I and most others were focused on the business matters the COO was talking about, it was not clear who Higashino was referring to as no one was obviously playing around. His tone was scolding, with a hint of anger, and above all clearly audible, seemingly diverting more attention from the topic at hand than the ‘offence’, which had remained mostly unperceived, and he looked angrily in the direction of those he identified as disturbances.

On another occasion he disrupted the CTO by commenting on chocolate placed in front of him, one of *his* start-up's employee benefits:

When the CTO explained to the team what her department was working on, the founder picked up sweets that were prepared for everyone to be eaten at the end of the meeting and remarked mischievously, ‘It's chocolate!’ (*choko yan*) [...]

Notably, such boundary transgressions were limited to the founder, and could only be explained in reference to ‘who he was’. While the founder transgressed, others let him do

so as he was the founder. Higashino was in a sense always on the frontstage: he was the protagonist, while others had important but supporting roles. The one-sidedness inherent in boundary transgression seemed apparent once it was the founder's turn to talk on the frontstage, when he explained what future steps the start-up would take:

When Higashino explained the changes made to the app user profile page, he suddenly exclaimed: 'Stop fooling around (*Fuzakenna*)! Look!' This was directed towards employees who were doing other things while he talked. Such indignation, such sudden anger, was comical, as it seemed disproportionate.

In similar fashion, Higashino from time to time froze in the middle of a sentence to look directly in a stern manner at those whom he perceived as distracting or not focused on what he had to say.

#### Role Definition and Playful Nicknaming

Higashino seemed to figure as the protagonist in such situations, it was *his* start-up while others had important but supporting roles. This sense of control and boundary transgression was also extended towards discursive role definition through nicknames.

The founder assigned nicknames in a playful, 'joking' fashion. A common verbal routine that in terms of Japanese *manzai* comedy is known as *nori-tsukkomi* frequently occurred between the founder and COO. *Nori* means to 'go along', while *tsukkomi* is the 'straight man' in Japanese *manzai* duos. A *nori-tsukkomi* is an act where the straight man plays along with the joke of their partner, only to then suddenly 'put things in order' and point out the absurdities of the joke:

Higashino first introduced Kanda to me as an Indonesian. Kanda, who was slightly smaller than the Japanese average and had darker skin than most Japanese in the Kanto area, would usually play along and say something like, 'I am going home to my family home (*jikka*) in Jakarta next week [...] Who is Indonesian (*Darega indoneshiajin*)?!', and everyone seemed to laugh.

In such acts the power inherent in ‘naming’ and defining others appears to become intermixed with the playful aspects of the *nori-tsukkomi*, which seem to ‘obscure’ and lessen its hierarchical force. If the COO had stopped ‘playing’, it would have been clear that he didn’t accept this kind of banter. Why, though, risk destroying the ‘mood’ (*kūki*) or being labelled as someone who ‘is no fun’ (*nori ga warui*)?

While not all employees had a nickname, nor such playful routines, other nickname examples included the lead engineer who was named ‘god’ (*kamisama*), which seemed to refer to his superior programming skills and relaxed attitude. Sakurai, another engineer, was called ‘Yamanashi’ in reference to his home prefecture. Similarly, the founder referred to me as *okkusufōdo* (Oxford) which referred to the assumed (or actual?) pride I took in my university affiliation. Like all others, I similarly went along with such nicknames. Being addressed in this fashion made me feel ‘included’.

While often enacted playfully, the power to ‘include’ and ‘define’ was what set the founder apart. This was conversely visible in the founder’s reaction to the attempts of others to define who he was. Within the company, remarks about who he was or what he liked were rare, and usually resulted in Higashino distancing himself from such attempts.

On one occasion, Higashino commented on a poster campaign featuring him and the COO. The campaign was organised by R University, which they had attended. R’s campaign highlighted the achievements of graduates, and both of them were promoted as the leaders of Twig. The poster for the campaign had just been shown to others in the office when the founder remarked audibly, without addressing anyone in particular:

‘Although I am thankful, it’s difficult to say this [success] is thanks to R Uni (*R no okage desu*).’ For him, the narrative of the poster stressed what they had learned, rather than what they had achieved independent of their education, so it seemed.

Higashino then distanced himself from who he was: during his university years, he had been ‘more of a pure, good boy (*motto sunao de ī ko*)’. Higashino was 26 years old, but appeared older when making the statement. Reminiscing, he then

described the COO, ‘Mr. Kanda stays true to himself (*burenai*)’, and nodded his head slowly and visibly.

As is apparent in these examples, rather than being defined himself Higashino could define frontstage roles, include others (and conversely exclude them), while he carefully corrected definitions of himself he perceived as wrong. When actively constructing his sense of self, he often did so in reference to whom he had interacted with or whom he knew, by recounting visits or meetings with investors. Such people were from a world outside the start-up, ‘special’ people employees mostly did not interact with:

During a visit to Mericari, he explained, he was told, ‘boss, your face looks tired (*shacho, kao tsukareteimasen*)?’

By repeating such statements, Higashino seemed to stress how he had worked hard for Twig, which made him look tired. Being called ‘boss’ in Mericari, one of the most well-known unicorn start-ups, also seemed significant. In a similar fashion, he would stress the sophistication of what he was doing and engaged in: ‘I started to deeply think about the internet (*netto ni tsuite fukaku kangaehajimemashita*)’.

### Critiquing the Founder

In backstage settings, people often reflected upon such interactions differently, though they went along in the frame of ‘play’ and in company-wide frontstage meetings. People, however, didn’t critique nicknaming or boundary transgression per se. They criticised the lack of open discourse. The manner in which the founder controlled the company’s frontstage appears in this sense linked to more general critiques regarding the lack of open discourse.

He was ‘like a dictator’, as the COO, Kanda, angrily remarked after he had left the company. For Kanda, Higashino’s insistence on controlling discourse without taking the

COO's opinion into account meant that 'he doesn't understand (*wakatteinai*)' what's important. In more diplomatic terms, Kobata, a long-term intern who later founded his own start-up, perceived the founder as 'slightly biased'. This necessitated balancing efforts from others within the team:

Higashino is good at focusing and being passionate about language learning, but not so much at devising a general strategy. [...] I feel most number ones are slightly biased (*katayotteiru*), in good and bad ways; if you want to see the bad side, you can find as much as you like.

Such critiques regarding frontstage control appeared to correspond to situations such as the following:

Confronted with an alternative opinion, Higashino nodded and tilted his head, signalling interest. Once Keiko, a female business team employee, had explained her thoughts in a soft and restrained voice, he responded confidently: 'Why do you believe it's like that (*nande sō da to omoimasuka*)?' The employee then explained reluctantly the logic behind the current management decision. Once she finished her explanation the founder watched her with an unmoving expression and raised eyebrows, as if to say, 'See, there you go.'

In such instances, employees aimed to become what Goffman (1981) calls 'authors', those who originate the form and content of a message. Speakers can combine different roles: 'author', 'principal' and 'animator'. Principals are responsible for the message, while animators utter the message audibly and visibly. Twig's founder, Higashino, combined all three roles where the company's direction and strategy were concerned. In situations such as the above, employees tried to engage in joint authorship, while the founder believed they should instead stick to a pure animator role as 'labourers' (*rōdōsha*), as he once remarked. In a manner reminiscent of the broader definitions of employee and founder roles (as outlined previously), for Higashino employees were people to whom tasks should be delegated in Taylorist fashion. They were not equal authors who should actively partake in the negotiation and discussion of strategic issues or near future narratives.

This role separation, while causing consternation in the informal interview backstage, was reflected during formal frontstage morning meetings or *asakai* which included the majority of the start-up team as well as all executives. A large part of the meeting revolved around telling others about what one would be working on that particular day (e.g. update the pitch deck, design the advertising poster, visit client A, etc.). While partly informative, in many ways such meetings also seemed to revolve around demonstrating to others that one was actually working on something. Within the *asakai*, the raising of particular issues was initially discouraged to avoid the unnecessary ‘waste of time’. Executives stressed this by engaging in a moment of uncomfortable silence followed by comments such as ‘afterwards!’ (*ato de*), pointing out the inappropriateness of the question as beyond the scope and depth of the morning meeting.

Later, although the *asakai* became fully dedicated to problem sharing, such sharing rarely occurred. Employees had become accustomed to their animator roles and the founder’s expectations, so it seemed. The same silence prevailed in the weekly meeting in which, as a consequence of such silence, asking questions became obligatory. Rather than ask critical questions, employees would then mostly ask questions aimed at further clarification, serving as questioning animators by saying things such as ‘Could you tell us more about what you meant when you said...’, rather than as critical authors by asking ‘When you meant... wouldn’t it be better to do...?’.

This caused consternation, and the company’s COO shared his frustration regarding what he perceived as the team’s unwillingness to voice opinions on several occasions. For employees, though, transcending their animator role was risky. Without an offer of ‘joint’ authorship, the active inclusion of contrary opinions into the overall company narrative, critique might simply affect the ‘mood’ (*kūki*) negatively and become a destabilising attack

on the founder's efforts to project a particular near future, which might invite dispute and other spectres.

To summarise, Higashino then enacted a quasi-charismatic role. Twig and its business model was the result of his life story. His embodied frontstage role involved forms of parental, informal interaction that included the one-sided crossing of 'professional' boundaries in a 'joking' manner. It was only Higashino who could assign nicknames in playful fashion, while he exerted careful control over his own discursive self-definitions. What appeared parental for some (both on the frontstage and informal backstage), was 'restrictive' for others (in the informal backstage).

Besides Higashino's particular understanding of role, including the necessity to 'ban' spectres, the founder's one-sided parental authorship was also explained in relation to *supīdo*. Strategic issues had already been debated and decided among the management team. Further debating of each and every issue would be inefficient and slow down *supīdo*. Similar stances were echoed by employees who endorsed a 'top-down' management style in other start-ups (see Chapter Six). *Supīdo* in such instances appears to invoke efficiency in particular and seems to function as one ideal of audit cultures. It fuses efficiency with the possibility-focused role of founders as 'those who narrate dreams' and Higashino's singular authorship claims. It becomes thus plausible to renounce 'voice', as discussion might appear as 'slow' and thus unwelcome second-guessing. Such views present efficiency as what can justify one dominant author and their discourse. This is in contrast to the other demand of audit cultures, namely transparency, which the company's COO seemed to embrace, as I will outline in the following section.

### 5.3 The COO and Measurement Virtues

In this part I outline the role of measurement within Twig, and how related audit virtues such as transparency and efficiency (Bruneau and Savage 2002) appear intertwined with what the COO and those siding with him promoted. Transparency in particular appears opposed to Higashino's role performance and frontstage dominance. This is reminiscent of the Weberian routinisation of charisma conflict (Weber 1980) as previously outlined. This conflict occurs in particular once embodied and affective charismatic authority encounters bureaucratic structures and techniques. While on the one hand rational and objective, measurement figures here also as an ambiguous notion that is always caught between trying to understand what is 'real' and the doubt whether one's classification and measurement efforts actually capture the 'real'. Like Higashino's playful and parental frontstage dominance, measurement also becomes instrumentalised to strategically advance certain 'interpretations' of reality rather than others.

I will first outline a few examples that show the ubiquity of measurement within Twig, and how the COO and employees used measurement techniques. Within Twig, two applications of transparency were characteristic: 'Performative forecasting' and employee evaluation indicators. Performative forecasting means the strategic manner in which KPIs can become employed in rational narratives. Through performative forecasting strategic goals or assumptions become framed as 'rational' or 'achievable', despite uncertainty and spectres. Employee evaluation indicators are tools the COO and other executives can use to monitor and direct the work of employees. They figure as instruments of control but also of meritocratic 'fairness', as they show who contributes more and who works less. In the following section (Chapter 5.4), I explain how people differed in their stance towards the COO's focus on transparency, which for some also entailed strategic information disclosure

and blaming under the guise of a transparency ethos. For these critics, Higashino's parental role was often preferable.

### The Ubiquity of Measurement

Start-ups are, like other modern organisations, defined by what Strathern (2000a) calls 'audit cultures': 'the widespread proliferation of [...] calculative rationalities of modern financial accounting and their effects on individuals and organisations' (Shore and Wright 2015: 421). While audit is one particular quantitative measurement system linked to bookkeeping and accounting, in internet-based start-ups people use additional measurement systems (app KPIs, advertising click rates, employee evaluation mechanisms, etc.). Start-ups in this sense revolve around a broader 'indicator culture' (Merry and Coutin 2014) that is interlinked with audit.

In the case of consumer-focused app start-ups, accounting and various indicators (conversion from advertisement to user, from free user to paying user, from inactive user to active user, from one time buyer to frequent buyer, etc.) in particular are key mechanisms that allow actors to do two things. Firstly, they can estimate the time left to achieve particular goals (until the point of zero capital in corporate accounts is reached). Secondly, they can use indicators to estimate how their current progress compares to what they have to achieve in the future. Rather than an audit that evaluates past results, auditing and other indicators become here the base for revenue and cost projections that create a 'date-as-event' (Guyer 2007: 416) which has the power of determining the near future prospects of start-up actors and their organisations.

Building upon Merry (2011), Shore and Wright (2015) outline several effect categories they perceive as characteristic of the manner in which auditing techniques change

organisations. In particular the ‘domaining effect’, which describes how the introduction of audit and ranking can significantly alter organisational contexts ‘in ways that mirror the values and priorities embedded within the audit technologies’ (Shore and Wright 2015: 426), is of relevance in the context of Twig. The conflicts that characterised the start-up seem to revolve around meaning clusters such as ‘efficiency’ (*kōritsu*) or ‘transparency’ associated with audit and accounting (Bruneau and Savage 2002:12), carrying their own moral weight (Strathern 2000a). They fuelled conflicts regarding broader disputes of ‘good’ and ‘bad’ ethical behaviour, of ‘who tells the truth’ or ‘who is accountable’.

Within the company, it was the COO, Kanda, who should introduce the ‘right’ standards which a ‘real’ business should have. Kanda was slightly smaller than Higashino and of sturdy build. He spoke quickly, and laughed frequently. He often wore a jacket over casual clothing, as he was in charge of the start-up’s corporate clients. Kanda worked continuously to introduce measurement mechanisms and KPIs (key performance indicators) to assess employees following a predefined list of indicators. Once the accounting mistakes became apparent, the COO, in the spirit of transparency, aimed to share what had happened with key investors and employees.

As previously outlined, Kanda joined Twig after working in the sales department of a large IT corporate. He was intimately familiar with measurement: KPIs, accounting, and other evaluation and projection mechanisms of audit cultures. ‘Bringing Twig up to *supīdo*’ regarding measurement was a central aspect of his role. ‘Monitoring’ (*monitaringu*) KPIs was important as ‘measuring (*hakaru*) KPIs decided goal achievement’ (*mokuhyō tassei*). KPI awareness meant one knew ‘where one should aim’ (*mezasu beki tokoro*), and could decide ‘what should be important’ (*daijinisubekitokoro*). Such phrases were regular aspects of business team meetings (including Keiko, Ueno, Kanda, Kobata, and me) and morning meetings (most of the company).

The team used KPI to analyse the company's goals to engage in *kasetsu kenshō* (hypothesis evaluation). This describes a method that mirrors a scientific, positivist approach to evaluating whether what one believes to be true is reflected in reality. To do this 'well', one needed input and output data to decide which numbers or KPIs one should focus on to evaluate the outcomes measured. This evaluation was based on one or two hypotheses (the fewer the better) which could be proved or disproved depending on the change measured.

One example of *kasetsu kenshō* were Twig's experiments with various strategies aimed at increasing the 'lesson count' KPI using the app 'user funnel'. Understanding the 'user funnel' meant one understood the 'continuity rate' (*keizoku ritsu*), why certain people continued using the app and others didn't. The 'user funnel' should give an indication of how many people ended up reserving a lesson and how many others were 'caught' in preceding stops such as 'chatting with teachers', 'app login only', or 'inactive'. Understanding the 'user funnel' could also reveal which mobile advertisements (Facebook, Instagram, or Twitter) enticed users to install the app, what marketing campaigns or design elements of the app motivated them to book a lesson, etc. Based on such data, one could then engage in hypothesis evaluation, e.g. marketing campaigns aimed at increasing the number of people who already took one lesson by offering a discount on the second lesson as previous data indicates that users are 50% more likely to have four lessons if they take at least two lessons, etc.

While hypothesis evaluation yielded various outcomes, the Twig team was often haunted by the fear that what was measured or what fell short within the frame of such measurement was not the 'real' issue. Classification, after all, is 'never neutral' (Shore and Wright 2015: 426): one selects certain indicators rather than others and assigns particular meanings to them. The 'truth' inherent in such classification was in doubt, as despite all

efforts to increase certain KPIs, Twig might, for example, be struggling with a fundamental problem that related to the business model itself rather than its implementation. Kanda referred to this as a ‘gym logic’ (*jimu riron*) problem, the inability of customers to commit to a regular workout, or in Twig’s case, language learning.

On another occasion the team became increasingly convinced that they lost revenue due to widespread ‘user fraud’, that people were ‘getting rid of the middleman (*nakanuki*) [Twig]’. The company’s revenues resulted from fees taken from a lesson fee that users paid to teachers. Such fees could, though, only be charged when users actually paid through the app. If users simply contacted teachers, met up with them, and then paid in cash, the Twig app wouldn’t be able to charge the company fee. The issue of ‘getting rid of the middleman’ persisted throughout several months, and was tackled with various strategies (banning and warning of teachers, advertising the benefits of following the ‘system’, e.g. fraud prevention, teacher ranks, etc.).

Independent of such doubts surrounding measurement, KPIs were still important. They were, after all, transparent indicators of ‘good governance’, which Twig’s management presented to investors in regular meetings (*teikaigi*), indicators which were eventually linked to the amount of financing the start-up could secure in later funding rounds. Achieving KPIs was thus a collective effort that determined the success of Twig’s near future plans, which justified frequent discussion and effort.

During preparations for the upcoming mid-summer holiday (*obon*), for example, employees appeared so concerned with growth projections and their KPIs, the numbers they had to hit, that no one seemed occupied with the fact that the team would work when many others vacationed. ‘Damn!’ (*yabai*), Kobata, a long-term intern in his early twenties, exclaimed when he realised that vacation periods might make it difficult for them to achieve their KPIs as people left Tokyo (Twig’s main market) to travel.

The importance assigned to KPIs in such situations related also to how KPIs could figure as proof of one's successful *ōnashippu* efforts, indicating one's meritocratic achievements. Such links could, though, be misleading. *Ōnashippu*-related KPIs did not necessarily affect interlinked app KPIs in the manner envisioned in hypothesis evaluation. Keiko, an energetic Japanese female employee in her mid-20s, was in charge of a series of 'real-life' user events with which I also helped out. Such events should help create a 'community' feeling, a sense of shared bonds that extended beyond the app screen alone. Shared bonds would improve the user retention rate as people were less likely to quit Twig's service due to such intersubjective 'real-life' attachment. The effect such events had on app KPIs and the time needed to organise them was, though, disproportionate, Twig's management decided after one month of trying. 'How unfortunate!' (*Zannen*), Keiko mumbled when the event project was abandoned. This was, after all, 'her' project, something which she had assumed *ōnashippu* for and which had achieved measurable traction from zero to 200 attendants in fewer than a few weeks of trying, she explained.

### Transparency and Convincing

As these examples show, people were greatly aware of KPIs and also measured their own achievements using such techniques. This shared awareness of KPIs allowed Kanda to use transparency to negotiate the near future through performative forecasting. It was this strategic use of transparency which later also emerged in the critiques of employees, who felt that Kanda disclosed information at his will and for his own benefit. I will first describe how the COO used the ethos of transparency to motivate and convince employees. The following part outlines how KPIs were used to exert control over others, and how employees negotiated such control.

When the team began to plan the intricacies of a new corporate business service, Kanda would, for example, use the ‘simple’ story KPIs told to address the doubts of his ‘listeners’ and make the company’s near future goals appear graspable. This was particularly visible in this business team meeting held in Twig’s small, windowless meeting room:

Twig had to generate additional revenue of 7,000,000 JPY per month to overcome its woes. This led to nervousness among employees. Kobata expressed his unease in a worried tone: ‘Wait a bit [pause] that’s crazy (*chotto matte* [pause] *yabai*), I haven’t done something like that, I haven’t sold something worth 10,000,000<sup>15</sup> JPY’. Kanda acknowledged the difficulty and engaged with the teams’ unease by exclaiming in an upbeat, humorous manner how Keiko’s facial expression looked ‘disturbed!’ (*yabai*).

Kanda then continued with an assessment of the logic underlying such KPI goals by calculating the amount of money Twig could charge per corporate client. He estimated how many lessons they could sell per company. He then calculated the lifetime value (how much money a customer spent on average before they stopped using a service) of each company, assuming a certain amount of companies would stop using the service after their initial purchase of lessons. The result of the calculation was a lifetime value of 3,500,000 JPY per company. Two companies, as he had first argued, would then suffice to create 7,000,000 JPY, the amount they needed according to their projections.

The result of this use of estimation and mathematics appeared convincing. Kobata, who seemed insecure regarding their ability to achieve their revenue goals, was calm now. By breaking down the challenge into smaller steps, by clarifying how the revenue KPI corresponded to concrete sales KPIs, the impossible seemed possible.

Not all were convinced, though, by the assumptions underlying the forecast. Keiko, who had done corporate sales before, remarked in a calm voice while looking at no one in particular: ‘[For the sales cycle] three months are normal, though’. Kanda countered such rational critique by invoking the spectre of growth failure with conviction: ‘If we don’t do it with *supīdo* the company is going to die (*shinu*)’.

The COO here framed the near future by invoking the links between transparent KPIs, personal agency, and spectres. By framing challenges appropriately, what at first seemed like a stressful threat (selling 10,000,000 JPY/month) became possible for Kobata. To avoid the unwelcome argument Keiko raised, Kanda invoked spectres (‘[...] going to die’) and ended the conversation.

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<sup>15</sup> Kubo rounded 7,000,000 JPY to 10,000,000 JPY.

## KPIs and Employee Evaluation

In addition to persuasion through performative KPI forecasting, Kanda exerted influence by linking KPIs to employee evaluation, as the following examples show. The introduction of measurement was one way in which the COO shaped Twig's malleable structure. Such changes were also met with resistance. The COO early on introduced KPIs for the customer success team which measured the number of daily user requests each team member resolved. Before the introduction of such KPIs, it had at times appeared to him as if all the team did was 'talking all the time' (*zutto hanashiteiru*).

Kanda's efforts to introduce KPIs resulted in a back-and-forth with Murata in the formal backstage of the company's sofa area where the executive and employee sat next to each other. Murata was one of the customer success team's most outspoken members. Murata wore round glasses and had curly hair which she sometimes coloured in a reddish tone. She was straightforward in her remarks:

'I get it, if we behaved like bad children (*mecha warui ko*), but we really worked hard (*mecha ganbattayone*)!' Kanda then continued by explaining in a conciliatory tone that it was not about punishment or distrust but about the establishment of transparent team-wide standards, that it was 'necessary to show the team's ideal state in numbers'. This was also practical, as when one person had to do something else then others could take care of that person's workload and meet their KPIs. Accordingly, the team should decide among themselves which KPI goals they wanted to achieve every day. Murata reluctantly signalled agreement while looking at her notes: 'Mmhh... Hm, yeah, right (*Nnn, ma, sōdesune*)'.

Such dispute appears reminiscent of the 'individualising' effects of 'classification' (Shore and Wright 2015), which while creating transparency, a clear system of rankings and categories, also appeared to violate intimate relationships of mutual trust and understanding, which Murata protested against. Transparency entailed control which violates mutual trust and understanding. This relates to the 'tyranny of transparency' (Strathern 2000b), how individual behaviour becomes linked to what one has to do to appear as a trustworthy

employee and as a trustworthy company to outside stakeholders (investors, the state, business partners, etc.). There is something ‘totalising’ about such indicators when applied to evaluate employees, as one can establish a linear connection between individual behaviour and company success that tends to discount other factors such as unforeseen occurrences outside of individual agency.

The difference to ‘totalising’, anonymous systems that invade institutions from a bureaucratic apparatus far removed from the everyday of actors, appears to be here the ability of Murata to negotiate directly with Kanda. Such episodes reflect the *mura*’s appeal. Twig’s emergent structure and small organisational size increased people’s relative control or *ōnashippu* over what became ‘imposed’. Murata could articulate her team’s discomfort, and Kanda tried to accommodate her doubts. Equally as significant, Kanda eventually ‘won’ the argument and justified transparency by invoking the fairness (not hierarchical control) inherent in ‘quantitative’ measurement.

Later on, Kanda extended such evaluation mechanisms to all employees, and asked me, as someone who researched ‘company culture’, to present him with some insight into what other companies did and how this could be used to establish individual employee evaluation indicators. Largely independent of such research, which yielded unwieldy complex methods used in larger start-ups, Kanda created a simple employee evaluation sheet based on various ‘cultural’ indicators (task achievement rate, level of ‘professionalism’, etc.).

The ‘totalising’ dimension such indicators could assume became visible once Kanda invoked them in business meetings in order to motivate ‘good behaviour’. In his explanations, individual behaviour as assessed in evaluation sheets and overall business success became linked. The team had to improve as it ‘lacked culture’ (*bunka ga tarinai*), and it was ‘Kanda who is making the culture (*bunka ha [Kanda] ga tsukurundesuyo*)’, as he explained. Employees should focus on what was necessary; ‘meaningless talks, chores

[pause] were the worst (*iminai kaiwa shigoto [pause] ichiban yabai yatsu*), he stressed vigorously. Faced with growth failure, the team ‘couldn’t afford weird indulgences (*zeitaku*) anymore’ if they wanted to avoid ‘dying in all sorts of ways (*iroirona imi de shinchau*)’. They should ‘cherish culture’ and ‘being professional’.

However, despite such frontstage statements, the actual application of these evaluation criteria was less ‘coercive’. Kanda mainly used the employee evaluation sheet based on ‘cultural’ categories to give feedback to Twig members in intimate one-on-one meetings often held in a comfortable, relaxed environment such as cafés. Evaluations did not have any particular effect on salary or internal hierarchy, and were a form of feedback rather than ‘ranking’. They seem removed from the 10-and-a-half hour days filled by 33-second intervals that Amazon warehouse employees were allocated to locate a product while being electronically supervised by a manager (Bilton 2013).

In Twig, as in the customer success team’s case, the introduction of KPIs to evaluate employees seemed to unfold within the start-up’s relatively intimate ‘student circle’ atmosphere and malleable structure. This allowed employees to partly negotiate against the ‘totalising’ effects such indicators might have. Nevertheless, measurement introduces a form of ‘objectivity’ that can violate pre-existing mutual understanding and trust, as Murata’s protest indicates. While its ‘objectivity’ allows for meritocratic ‘fairness’, such ‘objectivity’ is also open to strategic interpretation as the example of performative forecasting shows. In the case of performative forecasting, the COO used such instrumentalization to make the ‘impossible’ seem ‘doable’. Instead of fearing spectres of growth failure, people should be motivated and overcome challenges. While this appears as a strategic application of transparency that arguably ensures the start-up’s functionality, more critical applications and reflections appear visible in the backstage statements of those distrustful of the COO. I will outline such critical statements in the next section, in the context of the accounting mistakes

and conflicts between the COO's focus on transparency and the founder's parental or 'protagonist' role.

#### 5.4 Critiquing Transparency and Related Conflicts

This section focuses in particular on the conflict between Higashino's quasi-charismatic claim to singular authorship and Kanda's role as the one who introduces measurement and transparency. For employees who took sides, the 'other' executive failed to act 'appropriately'. They lacked alignment with the background (Alexander et al. 2006), the discursive master-narratives, collective representations, and affective imagery that they invoked.

Perspectives critical of transparency focused on the one-sidedness and strategic or manipulative aspects that information disclosure can have. For them, the COO advanced his own agenda under the hypocritical guise of an ethics of transparency. On the other hand, those who were opposed to the founder's behaviour could not fathom his insistence on singular authorship, why he did not share their understanding of transparency and failed to disclose openly what had gone wrong.

I will first outline how the discovery of accounting mistakes led to blaming within Twig, and how people reflected on what had happened. Then I recount developments that were characteristic of the company's internal disunity (strife on the frontstage, doubt regarding the company's *bijon*, lack of communal events). I conclude by summarising how eventually the COO, the CTO, and four employees left Twig, while three employees and the founder remained. When reflecting on the team's disintegration, employees, independent of who they sided with, stressed the importance of mutual understanding and 'coming together'.

## Accounting Mistakes and Blame

One key event in the context of internal strife was the discovery of accounting mistakes which affected all prior KPI forecasts, what loomed as a date-as-event in the near future, and seemed to ‘wake’ the spectre of growth failure. Roughly 3–4 months into my fieldwork, the start-up’s executives and investors who evaluated its KPIs concluded that Twig was unlikely to achieve its overall revenue goals with its original user-focused strategy. Twig should now focus on corporate clients instead. Corporate clients, once contracted, would be more reliable recurring revenue sources, different from individual users. Only two weeks later, the company’s team became aware of the accounting mistakes, which again disrupted all previously readjusted forecasts and KPI goals. Instead of a total of 9–10 months, the start-up now had to achieve its new goals in only 6–7 months.

In particular, the accounting mistakes caused inner strife as they appeared ‘preventable’. They were subject to someone’s control. Correct accounting was not as unpredictable and uncertain as the success of the company’s app business model, which mostly depended on the ‘outside’ world’s response. The mismatch between corporate bank accounts and accounting numbers was due to several technical mistakes that resulted in a significant gap between the money the company believed it had left and the money actually in their corporate accounts. These were simple mistakes, such as wrongly calculating employee social security costs or credit card fees, which added up over time.

Nevertheless, ascertaining who was ‘at fault’ was not easy and seemed to elicit similar ‘classificatory’ problems to the question of whether KPIs actually captured what was ‘real’. For the COO, it was important to assign blame, to get people to accept responsibility and disclose wrongdoing, as otherwise how could the start-up proceed and ensure that similar mishaps didn’t happen in the future? Within anthropology, blame has been well

explored. In Azande witchcraft trials (Evans-Pritchard 1937, Douglas 2002) blame becomes assigned to explain personal misfortune. The ones accused are often people who might delight in one's misfortunes due to past conflicts. In a comparable manner, blame is assigned according to social or political structures, rather than randomly, throughout history and in various societies (e.g. Alaszewski 2015, Macfarlane 1970).

In Twig's case, the executives assigned blame to those who had managed the accounting data inputs. In this case there appears to be a stronger causal link between misfortune and who becomes blamed than in the case of a witchcraft trial for illness or other forms of loss that one might attribute to 'fate' rather than 'agency'. However, despite such differences in balance, the question of individual 'freedom' (Laidlaw 2002), to what extent someone is 'in control' of what happens and thus 'at fault', was equally relevant and difficult to answer in Twig. When answering such questions, as in other instances of blame, who is blamed was also interpreted as a consequence of social structures and personal dislike.

The ones blamed were the HR manager, Ninomiya, and the administrative clerk, Taniguchi, both of whom then resigned. Within the 'student circle' atmosphere of Twig, where people ate together, saw each other, and talked to each other on a daily basis, this was disruptive. The sudden departure of the two team members sparked discussion internally, and the 'fairness' of what had happened was questioned. Both had no formal accounting education but were hired by the founder, who oversaw the back office and delegated tasks to them. To what extent was it their fault that they failed at something they were never properly educated for? What about the founder who hired them, the COO who oversaw KPIs, or the disorderly state of a fast-growing business as a whole?

As in the case of other instances of blame, beyond such 'dubious' causal links, others also perceived blaming as an expression of personal dislike, which elicited resentment towards the COO. Ninomiya, the HR manager was, due to her experience, style, and

refinement, different from the younger members. She had chosen to work in Twig after working in a large corporate to better attend to her childrearing duties. For her, Kanda had unduly blamed her for the accounting mistakes:

[The COO] didn't like people hired by the founder and he didn't like me from the beginning [...] He talks about many things in a way that suits him [...] first [they] blamed [Taniguchi] for the fact that the corporate accounts didn't match, Taniguchi then began to cry, I then said, 'I did it' (*Watashi ga yarimashita*). [...]

For Ninomiya, the founder had failed to select people for his management team who wanted or could loyally support him in realising his *bijon*. The COO's claims to transparency were instances during which he disclosed information strategically to blame people such as herself and undermine the founder's authority.

Such blaming appeared to fuel distrust towards the COO as well as the language of transparency. The treatment of the two employees was perceived as unduly harsh. Although, at times, there were farewell events for employees who resigned from Twig, there were no such events for Ninomiya or Taniguchi. The resignation of the two employees was handled in a secretive manner without any company-wide statements from the management nor any acknowledgement of their resignation. While the HR manager had stopped coming to work from one day to the next, the administrative employee continued to come but left quietly, saying her goodbyes only to individual members. I myself did not know about her coming resignation until I met her by chance in a restaurant.

Although Ninomiya had left the company, several employees remained in contact with her after the incident. In particular, those who sided with the founder perceived Ninomiya and Taniguchi's treatment as unfair and opposed the COO's use of transparency. For Jennifer, a female, non-Japanese employee in her mid-30s who had settled in Japan, the COO's actions were fuelled by a dislike of the founder. The COO framed reality in ways that suited him and used the background of transparency in a manner that lacked alignment.

He strategically advanced his agenda and shared his dislike of the founder. She did not ‘trust’ the COO, and this was not only due to what happened to Ninomiya and Taniguchi. One episode that had particularly made her mistrustful occurred when Kanda stated he could only pay her a low salary (roughly half the Japanese average) due to the company’s dire financial situation: ‘Nobody gets paid more, everybody gets paid the same.’ Later she heard that people had been paid different amounts exceeding the salary Kanda had offered her.

In such perspectives, employees appear to perceive transparency as an instrument wielded by those who knew more than others to sow distrust and wake various spectres, something the founder through his frontstage control efforts seemed to limit. Shortly after the accounting mistakes, once further meetings were organised to explain what happened, similar transparency-related complaints emerged. For Jennifer and her colleague Yi, a quiet, female employee in her early twenties with coloured hair, often wearing fashionable street clothing, ‘knowing’ in itself could be a burden. After their meetings, both sat at their desks in the office’s formal backstage: They expressed frustration about knowing what they knew. There was no need for them to know, Jennifer said, as ‘anyway, there is nothing we can do’, and Yi nodded her head in approval.

Yi later also remained at Twig, together with Jennifer, when most others resigned. For them transparency, knowing that things could go wrong, that the spectre of growth failure might become reality, was uncomfortable and, in any case, assuring the company stayed on course was neither within their power nor responsibility, they appeared to infer. They further seemed aware of the strategic aspects that information disclosure entailed and how information, what was best left unsaid on the frontstage, could negatively affect the team’s ‘spirit’.

For Kanda who, as previously outlined, was in charge of the company’s transparency-focused efforts, the accounting mistakes seemed to symbolise a loss of

‘control’. Transparency and blame were not simply means he might have wielded strategically in his favour, as others proposed. After all, without transparent KPIs, without a transparent understanding of ‘roles and responsibilities’, how could the start-up continue expanding? The extent to which this loss of ‘control’ shocked him, invoked the spectre of growth failure, and rattled his trust in the founder’s abilities, was particularly visible immediately after the accounting mistakes. Kanda had suddenly during the afternoon invited me to a café slightly removed from the office, an informal backstage setting:

Kanda, with an agitated and hushed voice, told me that there was a mismatch between the funds accounted for on financial statements and the amount of money on the corporate accounts. It was clear that the incident moved him: his eyes were wide open, his skin looked pale and he seemed to be sweating not only due to the heat. I was also shocked.

[...] The situation they were in meant that if they were to ‘step on it’ (*fundara*),<sup>16</sup> if they spent money on marketing, they would ‘die’ (*shinu*). This situation, he continued, the founder didn’t want to disclose to the VCs; he wanted to say that everything was fine and not share the real numbers with them. Kanda thought the founder believed he would successfully ‘overcome’ (*norikoeta*) the crisis by making investors believe everything was okay. ‘What should I do?’ (*Ore ha dō surubekika*), he repeated several times, looking distraught and forlorn.

For Kanda, both the assertion of blame to clarify who does what (or who failed at what) and KPIs appeared as instruments of transparency which, like all ‘classification’ efforts, can only capture one side of the ‘real’.

Others such as Ueno, a member of the business team who had joined Twig after working in a large mega venture, shared the COO’s perception. Ueno was one of the tallest Twig employees and had a sincere, calm way of speaking. As Kobata he often wore a white T-shirt with jeans. For Ueno, like the COO, what had happened needed transparent and open engagement within the company. During an informal backstage lunch in a dimly-lit fish restaurant with only me present, Ueno described his feelings:

‘Now is a very difficult time’ for the company. For him, the founder was ‘disorderly’ (*seiri dekinai*) and only ‘focused on what was right in front of him’ (*mesaki no koto*).

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<sup>16</sup> Step on the gas pedal.

The founder's decisions did not account for what users wanted but were focused on creating revenue 'as fast as possible' (*nani yori hayaku*). Instead of executing the founder's instructions immediately, he decided to take *ōnashippu* and 'stop for a moment and think'.

Ueno soon acted in accordance with what he had told me. Rather than protest openly, he ignored Higashino's instructions and signalled his discomfort by refusing to comply:

'Did you stop advertising?', Higashino asked Ueno. Ueno did not look directly at the founder but glanced at him sideways and countered in a tense voice: 'The advertising?' (*kōkoku desuka*). Higashino then stood up and walked to Ueno's place. After some back and forth, Higashino realized that marketing was still ongoing and reaffirmed his order. Ueno then asked him: 'Did you talk to Kanda-san?' Higashino answered with a quick affirming 'n' noise, and looked Ueno directly in the eyes. Ueno complied in a shaky voice: 'So, let's stop it then (*Jya, tomemasuka*)?'

Until the accounting mistakes, Ueno had mostly followed the founder's instructions, and appeared as a conscientious employee who was at one point also awarded a middle manager position. This instance seemed symbolic of the mistrust those expecting transparency felt towards the founder.

In the backstage perspectives just outlined, the contrast between people who insisted on concrete measurement and accountability for what had gone wrong and those who felt such insistence was overly strategic or unfair blaming appears visible. In the following sections, I outline how these differences became further exacerbated in several symbolic instances of strife and inner disharmony visible on the company's frontstage.

### Towards Team Disintegration

In the following sections I will outline three exemplary instances that appear symbolic of the start-up's decreased cohesion: 1) Open strife on the frontstage 2) Increased doubt regarding the pitch and measurement and 3) Fewer communal events. These three factors are in a sense symbolic of performative disunity (1), the destabilisation of shared, unifying

and discursive fictional expectations (2), and a lack of instances where one could re-assert collective unity (3).

### Open Strife on the Frontstage

Open strife on the company frontstage (1) occurred in one of the first all-company meetings following the accounting mistakes. In this context, the difference between the founder's efforts to control frontstage narratives to project possibility and the COO's transparency drive appeared particularly visible:

With all company members seated in a large circle around the company's sofa area, the team discussed various scenarios and outcomes. The executives first laid out what had happened. They took turns talking and focused on mitigating the impression of bankruptcy.

'What happens when we don't achieve our revenue goals?', one team member asked nervously. Instead of the executives, Murata, who by tilting her head and talking slowly signalled that she was remembering what she had been told before the meeting, answered: it did not mean the company gets 'crushed' (*tsubureru*) but it would decide what 'level the company could reach' (*dono kurai no kaisha ni nareruka*).

Kanda then continued by explaining energetically how upcoming meetings with the company's investors decided future action, and what steps were necessary to reduce the company's burn rate. When he wanted to explain further, the founder, intent on projecting the right frontstage narrative, interrupted him calmly: 'There is no need to say this, it's still uncertain.' Kanda, seemingly uncomfortable, disagreed, and invoked transparency: 'No, that's wrong (*iya, sore ha chigau*). As everyone is seriously confronting the situation (*minna ga chanto majime ni mukiatteirukara*) it's necessary to explain what might happen (*kanōsei chanto setsumei suru beki*)'.

There were serious looks on employees' faces, and several team members folded their arms before their chests. Kanda explained: '[There will be] "no, you don't have to come tomorrow" (*Ashita konakute ii toka nashi*)'. Twig's team should not worry about being suddenly laid off. They would find other solutions; in the worst case, they could reduce everyone's salary.

After the meeting, the mood remained dire. In the company positive, hopeful news and ideas helped keep people motivated; once negative news was articulated, the opposite was the case. Kanda denying potential layoffs seemed to make the spectre of growth failure appear all too real.

The way Kanda and Higashino disagreed in front of the whole company about ‘what should be said’ was highly unusual, and symptomatic of how incompatible their different attitudes towards near future negotiation were when the topic of failure was concerned. During the meeting, no one attempted to make a transparency and KPI-focused argument to evoke new hope. Simultaneously, the founder’s flawed attempt at preventing the sharing of such negative information meant that the banning of spectres to conserve possibility had also not been achieved. Once the meeting ended, people appeared to be in a dire mood. Spectres were energy draining.

#### Increased Doubt regarding the Pitch and Measurement

As the previous section indicates, there is then something about strife itself which can be destabilising and which increases doubt (2), as it can hinder the assertion of discursive unity, of common dedication to Twig’s pitch and the fictional expectations underlying it. This can be further exacerbated by external ‘interferences’ which directly concern fictional expectations. Particularly symbolic in this context was the sudden office visit by an English teacher following efficiency-related cost reduction measures which affected teacher income.

Twig’s *misshon* revolved around ‘enriching the lives of foreigners’ based on the founder’s lifework-based authorship claims. The company’s customers, whose lives the company aimed to ‘enrich’, were, though, largely removed from the team’s every day. Whether the lives of Twig users and teachers actually improved due to what the team did appeared visualised in its KPIs (lesson numbers, download numbers, etc.). Communication with users was mainly handled through the app’s chat service, using avatars managed by the customer success team, rather than in-person. A select few teachers would at times come to the office for scheduled visits to collaborate with the team for offline events. Most of the

team, however, never directly interacted with the app's several thousand users, and the link between KPIs and the company's near future *bijon* appeared largely unchallenged.

This changed when, after the accounting mistakes, several cost cuts (lesson fee increase and reduction of advertisements) began to affect teacher income. A few days after extensive online complaints, a middle-aged English teacher suddenly barged into the Twig office, making his anger clear to everyone. Visiting the office without an appointment was quite unusual. The office was not a place where the team expected others to walk in as they pleased:

The teacher seemed frustrated and unhappy; he voiced his complaints not in a loud voice but in a visibly tense way. The office was silent, and most people looked somewhere else, seemingly embarrassed. This was uncomfortable for many of them. They expressed anger at the teacher just barging in without any warning and blaming them. After all, they were in a dire situation themselves. Members of the customer success team also expressed understanding regarding the teacher's desperation following the cost cuts. While most teachers were not active full-time, the most popular ones appeared to heavily rely on teaching as an income source.

Such reactions might simply be part of the embarrassment felt at being confronted with critique, but they also seemed to indicate the disconnect between KPIs, as 'classificatory' mechanisms of modern audit cultures evaluating users by their purchasing behaviour, and the 'real' lives of people.

As in the context of the previously outlined 'leaving out the middleman' or 'gym logic', Twig's team was in such instances reminded of the incompleteness inherent in the measurement systems that the COO introduced. They diverged from what was 'real'. Seemingly 'minor' changes in KPIs might mean large changes for people's ability to earn a living. This instance extended beyond such measurement-related concerns, as the teacher's complaints seemed to directly contradict the start-up's *bijon*, its fictional expectation centred on 'enriching the lives of foreigners'. The actions and cost-cuts the company had to make were also detrimental for their common unifying goal, which the founder in particular

seemed to embody. This episode is then exemplary for divisive instances which seemed to conjure the spectre of growth failure. Depending on one's perspective, one could either doubt the felicity of the measurement systems and virtues the COO promoted or, equally, blame the founder and those he hired for the accounting mistakes, the ensuing cost-cutting, and the wrath of the app's users.

### Fewer Communal Events

The reduction of communal events (3) was symbolic in contrast to how Twig appeared before the accounting mistakes. Much of such reduction was driven by another virtue of audit cultures, namely efficiency, the *supīdo* one had to achieve to 'outrun' the spectre of growth failure. While conflicts surrounding transparency seemed to impact the team's cohesion, occasions where such divides could be repaired, where the community could come together and experience the strengthening of intersubjective ties, the effervescence (Durkheim 1995) collective events might elicit, were reduced.

Initially, people in Twig were strongly engaged in communal efforts. During lunch, employees would head out in groups, selecting restaurants they wanted to go to. Trying out new places, following the recommendations and ideas of a colleague, and enjoying a meal together was something one could look forward to while working. Similarly, the company's female employees had their weekly 'girl's lunch' (*joshi ranchi*), and male employees often met up to play basketball. During quarterly dinner parties, communal drinking and karaoke events led to fun, loud, and chaotic situations. Particularly characteristic of such efforts were birthdays (Appx. 15), which were usually organised as surprise events within the company. Such moments were instances of collective unity where the start-up as a whole celebrated their members together, and nobody appeared to be excluded.

Later on, the start-up's 'carefree' atmosphere deteriorated and communal activities became increasingly rare, as Ueno reminisced:

[Before] it was like a university student circle, there were many interns, it felt very youthful; rather than a group of professionals it was like having a blast (*wai wai yatteiru*) with buddies. [Afterwards] when the mood became bad there wasn't much conversation between team members anymore. Without talking we went home in the evening.

When asked why they didn't talk, he answered:

There was little work, all marketing had stopped, [...] there is no topic to talk about and [no one] feels like talking about something other than work.

While this change appeared in great parts driven by the sort of conflicts and spectres outlined in previous parts, occasions which might allow for a 'coming together' amidst such pressures were also reduced due to efficiency-related concerns. One example of such changes was the abolishment of the communal eating of sweets (Appx. 14). This was particularly symbolic, as the ritual's disappearance coincided with the resignation of Taniguchi, the back-office employee who was blamed for the accounting mistakes and who used to buy sweets for the team. The eating of sweets was an informal frontstage part of the weekly all-hands meeting, a form of communal reward which included every team member and usually happened on Wednesday afternoon:

All employees would sit in a circle around a small table in the middle of the sofa area. As seating space in the office was limited, some employees brought chairs or sat slightly outside the sofa area, but everyone was within the same circle.

The meeting consisted usually of the three executives explaining and presenting the status of all the things the team was working on with a projector displaying a list of tasks. The executives would sit next to each other on one of the company's sofas.

At the beginning of the meeting, the employees placed sweets on the table, visible to everyone. Taniguchi brought a different type of sweets every week from the surrounding department stores. These would be delicately prepared choux pastry, artisan ice cream, puddings, *éclairs*, etc.

Once the accounting mistakes became apparent, Taniguchi and her colleague Ninomiya resigned from the company. Together with Taniguchi's quitting, the sweets disappeared from the weekly meeting, to the dismay of employees:

Kanda, to lighten up the mood, asked cheerfully, 'What's going on! If there is something you want, Kanda is going to buy it for you [...] no need for a healthy body!' The week afterwards, Kanda bought sweets for everyone. While most employees appeared appreciative of the gesture, considering the members that had left and the challenges facing the company, one did not feel quite as carefree as one used to be. This was the last time that the company's members shared sweets after the all-hands meeting.

The CTO later named the cost of sweets as one reason for the abolishment of the ritual. Assuming the price would be 500 Yen or more per item, buying sweets cost between 10,000 and 20,000 JPY each time due to the size of the team, she explained. This appeared symbolic of the new 'perspective' the company's members had to grapple with, a situation in which they had to 'tighten the belt' and use resources efficiently rather than collectively to reward themselves for their hard work.

A second example was the *asakai*, the daily morning meeting which became 'reduced' in participant count with reference to efficiency. Following the company's accounting mistakes and lack of revenue, Kanda even considered abandoning the *asakai* altogether as it 'cost' *supīdo*, as he mused loudly during a business meeting in the company's sofa area: 'Which members should take part in the *asakai*, what scope is necessary [...] maybe we don't need an *asakai* at all [...] it's a waste of *supīdo*'.

Efficiency had been a concern since the beginning of my fieldwork. The size of the *asakai* was limited, despite every employee sitting in the same room, and only employees selected by the founder took part as this would 'waste time' otherwise. The meeting counted eight people at its peak, including all executives as well as representatives from each department. Haunted by the spectre of growth failure, the COO replaced this already limited meeting with an even smaller 'business *asakai*' which differed from the initial *asakai* in its

reduced size and corporate sales focus. The 3–5 meeting participants were mostly members of the COO’s business team and the customer success team, with others occasionally joining as well. Such efficiency-related reductions then also dispensed with the logic of department representation. They reduced ‘inclusivity’ and limited a once-collective event to a select group of insiders.

The COO implemented this reduction driven by efficiency concerns. Efficiency itself as the notion of transparency could, though, also be understood in ambiguous, divisive ways. Such changes were mostly implemented after the accounting mistakes, when Twig’s business operations became administered by the COO while the founder mainly focused on interactions with investors. Before the mistakes, meetings concerning the company’s business operations, were led by the founder. This changed after the incident, with most of the talking now done by the COO and the founder oftentimes absent from such meetings.

Were these changes, then, really efficiency focused, or was the abolishment of sweets sharing, which could be seen as a familial or parental gesture, and the *asakai*’s focus on the COO’s team an expression of the ‘old king’ being replaced by the new? As in the case of transparency, what was efficient — the question of whether time spent to conserve internal cohesion (to avert the spectre of team decay) should rather be used for ‘real work’ — appeared as a potentially partisan issue that could further the team’s inner divisions.

### The Team ‘Falls Apart’

The conflict between those who embraced the ethos of one executive or the other appeared to persist for several months, and eventually also resurfaced as a reason why Kanda, the COO, and Matsumoto, the CTO, resigned roughly six months after the accounting mistakes. Kanda founded his own start-up a few months after his resignation, and the CTO embarked

on a trip around the world. Together with the two executives, four employees (Ueno, Kobata, Suzuki, Murata) left the company, and only three employees (Yi, Jennifer, Keiko) and the founder remained.<sup>17</sup> All accounts reproduced in this section are informal backstage accounts collected during interviews and lunch talks.

For those who left, transparency appeared to increasingly merge with an ethics of disclosure, the necessity of ‘confession’ in the event of mistakes or failure. This was particularly visible in the CTO Matsumoto’s account when she recalled a key event that led to her and the COO’s resignation. Roughly 3–4 months after the company’s accounting mistakes, not all investors had been informed, which Matsumoto and the COO perceived as really ‘bad’ (*yabai*). They decided to contact different investors themselves and to arrange a meeting with the founder:

‘What’s really going on in Twig?’ people began asking themselves; they felt the founder was unable to say ‘this is the situation, please help us (*tasuketekudasai*)’ [...] we decided to first create an environment that makes it easier for him to talk [...] when we all went [to the investors] together, Higashino said: ‘I am sorry for not telling you.’ [...]

For the CTO and COO, transparency figured in such instances as what can elicit help. Without such help, the near future the start-up wishes to realise appears unachievable.

Due to the resignation of the two executives, others resigned as well. Ueno, for example, had similarly been distrustful of the founder: due to his lack of commitment to transparency, he ‘could not trust’ (*shinrai dekinai*) him. He left Twig to join a non-Japanese IT start-up’s Tokyo branch. The COO’s resignation implied that there was no one left who pursued transparency. The founder’s lack of transparency meant he had lost the trust of investors, and it was thus unlikely the company could continue growing, meaning any

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<sup>17</sup> Three months before this series of resignations one engineer, who had obtained another job offer, had already resigned. Another employee had left the company seven months before as he was not perceived to be a ‘good fit’ by the company’s COO.

opportunity of *seichō* — economic, personal, or altruistic — was lost. He perceived this as a ‘waste’ (*mottainai*). The company would have reached profitability, he believed, had they continued their corporate sales approach under the COO’s guidance. Ueno critically recalled his last personal meeting with the founder, in which Higashino engaged in a 10-minute monologue. When remembering these talks, he did not seem convinced, his eyebrows narrowed critically at times, and his voice sounded strained. In particular, when he asked why the founder let the COO resign, all he heard was ‘a contradictory story’ (*mujunna hanashi*), full of ‘hopes’ (*kibō*) without proper explanation, a critical reflection on the founder’s projection of frontstage control.

While the perspectives of Ueno and the CTO appear focused on the founder’s continuous ‘failure’ to disclose and his ‘misalignment’, employees who were critical of the COO’s ‘righteous’ use of transparency framed their decision to remain conversely in respect to the founder’s eventual self-disclosure during similar individual meetings. This was more believable than what they perceived as the COO’s strategic use of transparency. The sentiment of ‘confession’, of reflecting on oneself, appears here as what can ‘correct’ prior background misalignment and seems best summarised in one of Higashino’s informal backstage statements given in a café, following the departure of half of the start-up’s team:

I would like to change several things. I thought of employees as labourers (*rōdōsha*). [...] I didn’t think [company] culture mattered; I should have given employees more *ōnashippu*. [...]

Keiko and her colleague, Jennifer, invoked similar statements made by the founder as what had restored their sense of ‘trust’ (*shinrai*). Keiko recounted this as follows:

I was told it’s better to resign by all team members. I stayed because the founder [...] told me everything (*zenbun hanashitekureta*): ‘It was like this, this is what I did. Due to my personality, I was afraid, I couldn’t talk openly, this is how I want to continue from now on.’ It was the first time he really shared much about himself [...] I felt this person really wants to improve (*honki de naosō*), when I listened to him that time I felt I want to believe him (*shinjiteagetai*).

Following a similar meeting, Jennifer stressed her belief in the founder's authenticity and motivation, in how the company related to his family history and who he was. She was critical of how some had blamed the founder for the lack of growth and applied a 'black and white' perspective. Twig's *bijon* meant the company was pursuing goals similar to an NPO. This made it difficult to adapt the model to high-growth expectations, and failure to achieve growth was not the founder's, or anyone's, fault per se.

Not all took sides, though. Suzuki, the company's lead engineer, and Kobata, for example, stressed their 'neutral' stance and explained their decisions as driven by the spectre of growth failure. For them it was not the COO's transparency ethos or the founder's frontstage control which were 'correct' choices or problems, but rather communication itself, the inability to achieve compromises and inner cohesion, which informed their resignations.

Suzuki would have stayed if it was a 'product problem', but he left as Twig was facing 'organisational problems', which meant his efforts were 'in vain' (*dō ni mo naranai*). Kobata, who had been close to both the COO and the founder, left the company to found his own start-up, and reflected upon his experience in similar terms:

After all, if a company lacks transparency, psychological safety, it falls apart [...] openness (*ōpen-sa*) is important, the openness of executives, sharing what one thinks [it's about], the number one and the number two [top executives of a company] trusting each other. [...] Number 1 and number 2 [only] trust each other when they interact sincerely, that's what I felt; you can't protect yourself instead of protecting the company [...].

Others similarly invoked this lack of communication by citing one of the company's original values: 'Openmind', the willingness to engage in equalitarian discussion. 'Openmind' was for them lacking in the founder's frontstage dominance.

Both in Kobata and the COO's start-ups, stringent interview criteria were enforced to ensure the hiring of people who could embody 'Openmind' and similar values. To allow for such open discourse, Kobata enforced *hypothesis* evaluation: '1 time in 10 somebody

will say hypothesis evaluation (*kasetsu kenshō*). His start-up had no *bijon*, but only guidelines that regulated hypothesis evaluation. As in Twig, KPIs for him were the base for shared understanding, but such understanding should emerge through an empirical process of truth-finding rather than the interpretive power of particular individuals.

The employees who stayed at Twig, on the other hand, saw a similar lack of ‘Openmind’ and self-reflection in the COO’s insistence on transparency and blaming. They pointed out how, in reaction to what had happened, the team was now eagerly enforcing ‘Openmind’ to elicit frequent discussion and opinion exchange across hierarchical divides. One year after the COO and CTO had left, Keiko described how the founder had acted on his vows of betterment and begun to work with a mentor. In comparison to before, communication had increased. The team was now particularly focused on hiring only the ‘right’ people and interviewed potential hires several times.<sup>18</sup> The atmosphere (*kūki*) had improved in a way that it ‘can’t even be compared’ to what was before. Now ‘one has to consider others’ feelings’ (*yorisotteagenaito*), and without doing so collaboration becomes difficult, she concluded.

## 5.5 Conclusion

The observations of this chapter provide insight into the relevance of bureaucratic practices and local affective performances for trustworthy appearance within an uncertain organisational environment. What is trustworthy for whom is not a uniform notion. Higashino invoked notions of lifework and positioned his past as the inchoate which drove *his* venture. This also appeared to inform practices of frontstage control and claims to

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<sup>18</sup> Previously, new hires were mainly interviewed once or twice by the executives. I had not been interviewed at all.

singular authorship. Such claims were opposed to an ethics of accountability, in particular the notions of transparency and efficiency which underlie audit cultures invoked by Kanda, the COO.

Rather than disembodied systems that 'infiltrate' large organisations in 'totalising' ways, such notions figured within Twig's small organisational frame also as techniques and ethical categories people invoked to justify their actions. Employees sympathised with the intent underlying audit cultures; they could compromise and accept them while they also negotiated against them by distancing themselves from those who promoted them (in particular the COO). Those agreeing with the COO appeared to link transparency with the quest for 'truth'; without disclosure of faults, without clear responsibility and blame, one couldn't know what's 'real' now and thus also not forecast or build the near future.

To counter the COO's ethics of accountability, those opposed questioned its earnestness, its 'righteous' intentions, and instead invoked the virtues of loyalty and humility. One should not strictly blame others for their mistakes, be it Ninomiya and Taniguchi who were in charge of accounting or the founder who stubbornly persisted with his *bijon*. Whatever happened, people had to 'come together' and blame wasn't helpful. The manner in which the COO had criticised and disagreed with the founder under the guise of transparency could be interpreted as a failure in *kejime*, knowing what belongs on the frontstage (*tatema*) and what should only be dealt with on the backstage (*honne*) (Lebra 1976). The COO's behaviour displayed 'bad manners'. He became 'disloyal', as Ninomiya seemed to argue. On the other hand, the founder's confession, his admission of faults without blaming others, was an act of humility, a 'real' act of transparency which restored their trust.

Such discursive disagreements seemed to decrease the start-up's sense of unity and cohesion, eventually resulting in the resignation of four employees as well as the COO and CTO. When reminiscing, people often mentioned that at the core of the company's problems

was the inability to communicate with an ‘open mind’, that ‘no matter what’ people should have made efforts to empathise.

The increased performance of strife on the frontstage, the emergence of doubt regarding measurement and the pitch’s fictional expectation as well as the reduction of communal events, were key symptoms of team disintegration. In particular the reduction of collective events was an ambiguous instance of the side-effects that efficiency, another central notion of audit cultures, can have. Like transparency, efficiency should ensure the realisation of near future goals. Efficiency allows for *supīdo*, which means one can ‘outrun’ the spectre of growth failure. As in the case of transparency, what becomes introduced under the guise of efficiency could also be perceived as frontstage talk deployed to hide political and strategic motives.

‘Too much’ efficiency appears as a force that can isolate people as ‘leisurely’, and collective events seem to serve no measurable purpose. Similarly, the founder’s claim to singular authorship had also been framed as efficient and necessary for *supīdo*, because debating and discussing were just ‘too slow’. In such a manner, efficiency — getting things done quickly — and the demand for transparency, reaching a shared understanding of what is ‘true’ appeared to be at odds with each other. While one impacted equalitarian communication, the other seemed to partly demand and require it.

How frontstage communication becomes limited and framed through such notions appears in contrast to models such as the Habermasian ‘ideal speech situation’. Habermas (2005: 89) named four ‘pragmatic’ presuppositions as central for such an ideal situation: (i) no one capable of making a relevant contribution has been excluded, (ii) participants have equal voice, (iii) they are internally free to speak their honest opinion without deception or self-deception, and (iv) there are no sources of coercion built into the process and procedures of discourse.

For Habermas, these ‘ideal conditions’ always need to be adjusted within the relevant context. Somehow groups have to decide what ‘relevant’ contributions are, equal voice needs to be evaluated (How is it measured? Who judges what is equal?), deception and self-deception are usually invisible which makes them deceptive, some form of coercion might be necessary to ensure ‘relevance’ and equal voice, etc.

In Twig, what could emerge on the frontstage appeared to be a similarly contested issue. Should people renounce their ‘voice’ to allow for efficiency and the realisation and projection of the founder’s possibility, or should such possibility and related issues (business strategy, product design, etc.) also be open to equalitarian discussion? Did transparency necessitate blame and KPIs to assert what was ‘real’ and allow for near future planning, or could certain applications of such efforts hinder broader discussion due to their ‘classificatory’ and ‘totalising’ effects? Is it executives who should decide what can emerge on the frontstage as it relates to their role, to what makes them trustworthy, or are there moments of crisis where strict rules should become suspended and the backstage has to emerge on the frontstage, become discussed and debated, as only this can restore trust?

As such two-part formulations suggest, at least in Twig and similar start-ups the answers to such questions often appeared as a struggle between such poles (or similar ones) that restrict the Habermasian ideal in one or the other fashion, informed by the various spectres, responsibilities, and personal desires of people. Following the accounting mistakes and the team’s disintegration, Twig’s (former) members appeared interested in a move closer to Habermas’ ideal, in a suspension of whatever rules and roles demanded to allow for mutual understanding. They seemed to look for mutual understanding through an ‘opening’ of the discursive space beyond the strict boundaries erected between the founder’s quasi-charismatic, embodied frontstage control and the COO’s strategic use of seemingly rational and objective measurement.

## Chapter 6: Branch and Team Decay

The last empiric chapter as the previous chapter focuses on the role of the future and uncertainty in organisational environments (objectives 1 and 2). The focus is here on the conflict between uncertain economic prospects and ideals of long-term commitment as expressed in the founder's speeches or the company's behavioural guidelines. Such conflict also reveals varying perspectives regarding trustworthy appearance (objective 3). In contrast to Twig, conflicts regarding the nature of trustworthy practice occurred along hierarchical lines in Branch and reflect upon the misalignment of economic incentive structures with company-wide discourse.

Both Twig and Branch were app-platform start-ups established by *mura* founders. Branch was considerably larger than Twig, with roughly 250 employees (15 times the amount of Twig) and 15–20 times more total revenue. The start-up was established 2012, and had begun growing rapidly from 2014 onwards (five years before my fieldwork). Unlike Twig (established in 2017, growing from 2018), Branch had already overcome various challenges and 'dates-as-event' (Guyer 2007) that 'threatened' growth at the time of study. Although it was still 'cash-burning', it had achieved its intermediary measurement goals, hit KPI targets, and continuously succeeded in fundraising. The company's app was widely promoted and had reached a level of maturity that made it difficult to 'pivot', to abandon the product and switch to something else.

In Branch, like Twig (Chapter Five), some of the main conflicts or differences in perspective appear related to the Weberian (1980) routinisation of charisma process. In Twig's case such conflicts appeared to unfold as both the COO's use of 'rational' transparency and measurement as well as the founder's 'charismatic', embodied claim to

authorship were ultimately open to critical questioning. Criticising Higashino's behaviour meant mostly blaming the founder himself, his *bijon*, and the social role ideal he affectively enacted. Criticising the COO's use of measurement and audit virtues meant criticising the COO's strategic (or suggestive) interpretation of such quantitative indicators and related notions to 'logically' spin arguments in his favour.

Similar conflicts were present in Branch. Wada, Branch's founder, like Higashino intertwined his life story with the start-up's *bijon*. Missed KPI targets and differences over whether the start-up's future path should prioritise a more 'conservative', accounting-oriented or an 'all-in', *bijon*-focused approach led to strife in the executive layer. Wada eventually resigned following a vote taken by the start-up's shareholders in favour of the 'conservative', rational approach. Unlike at Twig, such arguments were not openly visible on the frontstage but hidden in the formal backstage of executive meetings. The founder's resignation was a surprise for the vast majority of employees.

This chapter accordingly doesn't focus on how or why people took one or the other side (or no side) in the conflict. Rather, the focus is on related discursive and performative efforts enacted by Branch's founder aimed at reducing the spectre of team decay. Such efforts elicited similar critiques regarding 'coming together' and open discourse as in Twig's case. Such critiques also posit a link between the founder's discursive frontstage dominance, his inability to 'compromise', and his resignation. I analyse the relation between such criticisms and socio-economic hierarchical structures in particular.

Branch was considerably more mature than Twig. This, though, did not mean that quasi-charismatic practices such as embodied or affective promotion of a *bijon* or fictional expectations were somehow in greater alignment with the rationalising techniques of measurement. Rather, as I outline in this chapter, both the affective, charismatic elements surrounding the start-up's *bijon* as well as the start-up's measurement mechanisms were

more clearly formulated and established. As in Twig's case, Wada and other management members claimed frontstage dominance by promoting the importance of *kakugo* (dedication, preparedness, resolution) for commercial and collective growth (*seichō*) within the company. *Kakugo* is in this context best understood as 'dedication', as 'being resolved to do something' (*kakugo wo motte naniga wo suru*). *Kakugo* expresses a state of mental 'preparedness' or 'resolution' to persist independent of hardships. This was something one showed through the application of a practice doctrine, the Branch Creed. Rather than open discussion regarding the start-up's problems, people would succeed within Branch by following and executing according to these virtues. Measurement mechanisms, on the other hand, were transparent and accessible for everyone within the company through internal databases. As in Twig, the disjunction between the clear, 'objective' language of KPIs accessible to everyone and the lack of open discourse that matches such 'objective' language elicited critique.

In another contrast to Twig, much effort in Branch was in this sense exerted to create an ideological background (Alexander, Giesen, and Mast 2006) (practice doctrines, doctrinal texts, ideological events) that made the founder and the start-up's hierarchical structure appear 'justified' beyond KPIs and economic success alone. For employees, though, it was often economic success and growth in particular which appeared intertwined with their *ōnashippu* opportunities. *Ōnashippu* (as outlined in Chapter Three) means the joy of creating, doing, and executing by taking responsibility for *my* project and the career chances this might bring. For the vast majority, there was no reason to stay in Branch without *ōnashippu* opportunities. For these employees, the founder's ideological background creation efforts often appeared superfluous.

Another striking difference between Twig and Branch was the manner in which people interacted with the start-up's founders, which might partly relate to Branch's greater

size and hierarchical structure, and the spatial distance of its office. In Twig, certain aspects of frontstage performance, including Higashino's parental role understanding, seemed to include joking relations, informal exchanges of teasing, nicknaming, and similar transgressions of formal boundaries. In Branch, though, Wada appeared more distant and 'serious'. Some respected the founder as he was 'passionate' while others characterised him as 'scary' as such 'passion' often also included harsh criticism and angry insistence on particular quality standards.

In the first section, I will first outline how growth appears 'destabilising' and 'alienating' for employees who were with Branch from an early stage (comparable to Twig) onwards. I outline how people reflected upon growth in backstage settings and how growth in Branch appeared intertwined with employee turnover, employee count increase, hierarchical structures, and the start-up's extensive office space. The growing, unstable, and changing structure of Branch's workforce was partly in contrast to Wada's aim of creating a 'monolithic' organisation. I explain how the importance assigned to 'monolithic' cohesion and *kakugo* practices corresponds to theories of social science and cultural ideals.

Then, I will explore background making in particular, and how it was enacted in the company's internal frontstage contexts (employee induction, value lunches, company anniversary). While employees often complied with whatever their role was within such frontstage background creation, they were highly critical of these efforts in backstage settings. The notions promoted through such creation efforts appeared closely related to *ōnashippu* and *hanayaka* freedom in how they linked *kakugo*, taking responsibility for one's actions, individual agency and effort to individual and company success. The founder and his executive team presented themselves, and performed, as the ones who had mastered such values, which was reflected in their hierarchical status. From the perspective of the founder and some of his management colleagues, *kakugo* was presented as a promise or (*kakugo-as-*

promise) in the formal frontstage. By being dedicated to the collective and acting in ‘correct’ ways to show such dedication employees could grow as individuals and collectively achieve the start-up’s goals. Those critical of such claims described such dedication-related practices as quasi-religious notions (*kakugo-as-religion*) which had no place in a ‘professional’ context. The terms *kakugo-as-promise* or *kakugo-as-religion* are with the exception of *kakugo* not emic. They serve to capture the conflicting understandings of *kakugo* different groups within Branch had (management and employees).

The last sections focus in particular on the economic reasons that informed employee resignations, and how the ideal of *ōnashippu* as freedom was often far removed from ‘actual’ company ownership. The lack of economic ownership (company equity) and of salary structures incentivising long-term commitment appears here as a broader issue that also extended beyond Branch, and relates to a lack of voice and ‘communicative breakdowns’ which employees cited as a reason for their resignation, as well as for the founder’s resignation. Such ‘communicative breakdowns’ link this part to the previous section as the practice-over-deliberation focus of *kakugo-as-promise* similarly disregards open discourse and compromise in favour of efficient execution and correct role performance.

## 6.1 Growth as a Problem for Possibility

As previously outlined, employees and founders (and, to a lesser extent, other executives) differ in their orientation towards the virtual. While new information, new ‘talk’, the ‘latest’ trends and success stories can tempt employees, for founders such discourse is also haunting: what tempts employees can threaten team cohesion, for it invokes various ‘what ifs’, including the spectre of team decay. The founder’s embodied efforts to make particular

fictional expectations seem believable, then, appear threatened due to conflicting narratives and failure to achieve KPIs. Growth in particular adds an additional ‘hurdle’ to the embodied negotiation and projection of fictional expectations. Larger size means fewer occasions during which a founder and his supporters can engage with all employees on a regular basis (as was the case in Twig). I will first outline how the importance assigned to dedication and cohesion in Branch appears related to functional theories of social science as well as emic Japanese philosophies (*seishinron*) and ideals of the company-as-family. Then I discuss how employee growth, employee turnover, hierarchical structures, and a large ‘anonymising’ office appear as factors that threaten cohesion.

With growth, interactions become more anonymous and functional, as one knows the majority of people less well than before. What has been a close-knit, cohesive community with elements of joking relations, like Twig, becomes increasingly characterised by formal ‘relations of avoidance’ (Graeber 2007), relations that, taken to their extreme, are ‘marked by such extreme respect and formality that one party is enjoined never to speak to or even gaze upon the other’ (2007: 16).

People often described the weakening of internal cohesion once start-ups grow. Increasing formality, the gradual transformation of informal exchanges into increasingly ‘distant’ and hierarchic formality, is ‘sad’, as Sakai, an engineer who had experienced the rapid growth of two start-ups, recalled:

[There is] the fifty-people wall. Knowing everyone gets more and more difficult, talking to everyone every day is difficult, one knows less and less what this or that person is working on, once it reaches 100 people there are people you don’t even know the name of [...] there is increased personal and emotional distance (*kokoro no kyori*), people become others (*tanin*), one feels a bit of sadness (*sabishisa*) as the place one understood (*rikai shiteiru basho*) disappears.

Similarly, in Branch, rapid growth lessened the ‘feeling of intimacy’ (*nakayoshido*) as Kikuchi, a nutritionist who had been with the start-up for almost five years, remarked.

Kikuchi, like most other employees, was in her mid-twenties to early thirties, and usually dressed casually (e.g. jeans and a blouse). Growth created divides between those she knew from ‘early on’ (*mukashi kara*) and brought in many newcomers with whom ‘talking was difficult’ (*hanashitsurai*). When Kikuchi joined, Branch was still small: employees ‘even had lunch with department heads’, she remarked, stressing how this was unfortunately no longer the case.

It makes sense to briefly outline the historic and organisational changes that informed this loss of ‘intimacy’ in Branch. Growth becomes, in such statements, something that changes the ‘place’ or *ba(sho)* in itself, which invokes the intimate social bonds that tied people together at an earlier start-up stage. Brinton (2010) similarly describes the importance the notion of *ba* has in social networks in Japan. The *ba* or ‘place’ describes a characteristic of Japanese social networks, which favour strong collective ties in contexts such as the family, the workplace, or the school. For Brinton (2010), the *ba* appears to crumble under the pressures of neoliberalist reform and globalisation in the post-bubble lost decades. This notion of the *ba* can be understood as partly nostalgic, which is not to say that such strong ties are not of importance but rather that their positive framing is one-sided. Particularly in the case of *senpai-kōhai* (senior-junior) relationships in the workplace, such collective ties also include instances of bullying (Dasgupta 2013) and entail more intersubjective distance (Ogasawara 1998) than the familial ideal implies.

Besides a cultural context that appears to value strong intersubjective ties and cohesion at the workplace positively, growth can also increase diversity as more and more new people or ‘Others’ join. This brings problems for essentialist understandings of ‘company culture’, which stress its unifying, positive effect on organisations. This concept of ‘culture’ is partly related to the demands of quantitative study, which makes Schein (1991) posit that if ‘there is no consensus or if there is conflict or if things are ambiguous, then, by

definition, that group does not have a culture in regard to those things' (1991: 243). This is interlinked with a notion of 'company culture' which is 'made' by executives, who can for example change what people do at work and influence their values (Shook 2010) to obtain superior results. As a brief Google search reveals, articles that promote schematic understandings of company culture as something to be constructed are also common across online Japanese content (e.g. Miyagawa 2019, Miyamoto 2019) regarding start-up culture or *benchā MVV* (mission vision value).

This social science and cultural background positively stresses the importance of unity and cohesion in organisations, through strong intersubjective ties and shared culture as a discursive concept disseminated by executives. Such an understanding of 'culture' might partly be what informed Branch's founder's background-making efforts. Branch's founder, Wada, frequently invoked the importance of creating a 'monolithic' (*ichimaiwa*) organisation in frontstage settings. This was an organisation within which employees embraced a founder's *bijon* of the near future:

To deduce from the *bijon*, to become a part of the *bijon*, is the responsibility of employees, that's what they are paid for; [this creates a] monolithic organisation which is strong.

Part of such background-making efforts were graphs and formal models such as the 'iceberg' (Fig. 7), which explained the usefulness of 'monolithic' cohesion. Comparable models can also be found in organisational development (Shook 2010) and anthropology (Hall 1976). Such models, once applied to complex systems (e.g. culture), tend to bring clarity, but due to such clarity they can be used at the same time to promote an 'essential' view, and this tendency was particularly visible in Branch's iceberg (Fig. 7).

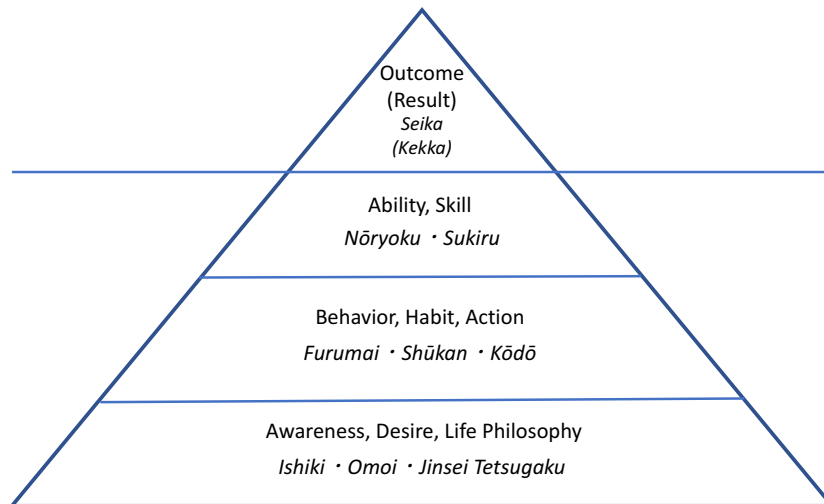


Figure 7. Iceberg model, everything below ‘Outcome (Result)’ (separated by the long line) is invisible and more or less unconscious.

In Wada’s frontstage narratives, the basis of all results were the values people endorsed mostly unconsciously — their life philosophies. This dictated their behaviour, actions, *sukiru* (skill or skills), and eventually their results. Of great importance within such life philosophies was dedication or *kakugo* to the company, its *bijon*, and its services. This would lead to good results. Dedication was something which people could consciously increase rather than a ‘given’ or ‘predetermined’ feeling (the act of dedicating oneself was also referred to as changing one’s *mindosetto* (mindset)). From this point of view, continuous employee-count growth necessitated continuous reminding of the importance of dedication and the ways in which people could commit, change their *mindosetto* (mindset), and achieve good results.

As in the case of dedication in general, the terminology used, and the links posited between changing oneself to obtain good results, make notions such as *mindosetto* appear embedded in both popular academic work as well as a specific cultural context. Dweck (2006), a psychologist, for example similarly uses the term mindset to describe the superiority of a ‘growth mindset’, a belief in change through effort, over a ‘fixed mindset’,

which stresses natural ability or intelligence. A comparable focus on inner transformation instead of ‘fixed’ personality appears also in ‘Japanese’ *seishin* concepts (Moeran 1984, Frager and Rohlen 1976), surrounding the power and role of perseverance and endurance for individual success.

#### Historic and Structural Threats to Cohesion

In Branch’s case this ideal of a ‘monolithic’ and cohesive organisation and ‘culture’ appeared threatened by four historic and structural aspects. These aspects were also partly characteristic of the start-up and the social structures its actors enacted:

- 1) rapid increase in new employees
- 2) constant employee turnover
- 3) increased hierarchy
- 4) a large, ‘anonymous’ office space

Regarding 1), Branch had grown in employee count in particular between 2015 and 2018:<sup>19</sup> 30–40 (2015, employee estimate), 110 (August 2016), 228 (November 2017), 312 (December 2018). Employee count growth stalled slightly towards 2020: 312 (December 2018) to 357 (January 2020). At the end of 2018, which was also the beginning of my fieldwork, the company employed roughly seven- to eight-times the number of employees it had three to four years before.

Regarding 2), rapid growth appeared to correlate with continuous employee intake and resignation. Unlike large corporates, which have standardised employee intakes in particular for new graduates (e.g. every April or September), this meant a steady stream of

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<sup>19</sup> These are publicly available numbers except when otherwise stated.

new faces (Fig. 8) while employees also resigned regularly. In 2019, 3.8 times more employees had joined than resigned.

<b>Date</b>	<b>Joined</b>	<b>Resigned</b>
January	7	4
February	8	4
March	2	0
April	14	3
May	9	3
June	3	4
July	15	3
August	9	3
September	20	7
October	17	4
November	4	4
December	9	3

Figure 8. Joiners and resignations over the course of 2019. (The numbers in this table were altered to preserve confidentiality, without affecting the overall significance of the data.)

In terms of 3), increased hierarchy, Branch’s organisational structure was hierarchical, with the top layer mainly consisting of long-term employees. 28 out of 34 management members, 82.4% of management, had been with the company since 2016 or earlier, when the start-up counted roughly 100 employees, about a third of its size during my fieldwork (300 employees). While the prevalence of long-term employees in management roles might have been a result of mutual trust built over time, it also appeared as a form of strategically ensured cohesion, a ‘monolithic’ island amidst a continuous stream of new joiners.

The top layer consisted of 3 representative directors and 3 executive directors. In addition to six executive members, 28 other employees were in department-head or vice department-head positions, including 6 non-executive directors. In terms of overall structure, subordinated to the executive committee were 10 business groups (*honbu*) which oversaw 24 departments (*bu*). Oftentimes, business group leaders (*honbuchō*) were also department heads (*buchō*); for example, 3 *honbuchō* headed 2 departments and another *honbuchō* 3.

Formally, the company's strategy was decided by the executive layer. Department heads and business group leaders were often those who executed such strategy, headed teams directly, and delegated tasks accordingly without middle managers. This was mostly 'the way things were supposed to work', except in engineering, where 'local' team leaders reminded engineers of their day-to-day activities and helped coordinate team efforts in an 'agile' workstyle manner. At times, middle manager positions also existed in other teams but the decision-making power of such positions was often limited, as in Twig.

The complexity of such hierarchies is a considerable contrast to the kind of interaction that characterised the early stage visible in Twig's example. While this appears partly related to growing hierarchical distance due to a growing organisational structure, there was also a generational gap between employees and management. All 34 non-executive directors and department heads were in their 30s or older, while most non-managers including my own team seemed to be in their 20s. The company workforce in 2019 was on average 34 years old,<sup>20</sup> which is considerably lower than the average age of Japanese public companies (41.4 years) (Tokyo Shoko Research 2020), but relatively high in comparison to well-known *mura* ventures (Diamond Online 2019a), which like Twig had age averages in their 20s.

Part of the reason for such an age gap related to strategic recruitment. The company was founded in 2012, when the founder and the CTO were in their early to mid-twenties. The CTO had joined the company in 2014, aged 25, by merging his first venture, which he had established as a Bachelor graduate, with Branch. Both the founder and his CTO, as 'typical' *mura* founders, did not have extensive experience or networks within the business world. They early on seemed to 'balance' the potential shortcomings such a lack of

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<sup>20</sup> According to wantedly.com, a recruitment website (checked 23 January 2020).

experience and social capital might have brought by recruiting experienced executive members.

At the end of 2014, Kamui, a former bank executive in his 60s, joined the start-up's executive team. Around 2–3 years later, Kitano and Suga, two former senior investment bankers in their 50s introduced by Kamui, also joined the company's executive team. Shortly before my fieldwork, others such as Sato, a long-time friend of Suga, who had served as Japanese CEO of several multi-national corporates, also joined after Suga's introduction. Overall, the CTO and the founder were the youngest executive team members, while all others were mostly in their 40s–60s and had had extensive careers in other companies.

One possible explanation for the age gap, then, related to such strategic recruiting as visible in the networks that characterised the executive layer. Executives themselves introduced other people, they introduced each other, and they also used their network to recruit department heads and other managers.

In addition to hierarchical divides, teams were clearly split into different departments, the most obvious split between engineers (roughly 2/3 of the overall workforce) and 'non-engineers' (roughly 1/3), who also worked in different rooms and, later, on different floors. In terms of gender balance, this tilted the company towards male dominance, as most engineers (more than 90%) were male, while non-engineering fields seemed gender-balanced. Management, on the other hand, was tilted towards male managers: 5 out of 34 (14.7%) managers were female, 29 (84.3%) male.

Growth was in this sense a force that decreased 'intimacy', the strong ties of the *ba* or the cohesion that might inform 'effective' company culture focused on one possibility. It could, from the company management's perspective, appear as a destabilising force that decreased cohesion, potentially opening the door to various temptations. Within Branch,

constant employee turnover, employee count growth, and increased hierarchical divides appeared as potentially destabilising forces that might threaten ‘monolithic’ cohesion.

### Office Space as Background

Branch’s office (Appx. 16) similarly captured the start-up’s growth, and its increased dimensions appeared to be part of the alienation people described. Greater physical distance also meant that employees were split across floors, and that they couldn’t interact regularly with all their colleagues or with their managers. At the same time as the start-up’s office appeared ‘mature’, it was well designed and seemed to present a form of physical background that portrayed the founder’s *bijon*, the start-up’s products, and its employees. As in the case of the company’s hierarchy (the prevalence of long-term employees in the higher management layers), the office, while ‘anonymising’ due to its physical dimensions, was also characterised by efforts deployed against ‘alienation’. As in Twig’s case, the question of ‘sometime’ and ‘somewhere’ (Dalsgaard and Nielsen 2015), of how temporal and spatial dimensions interact, appears relevant. While Twig’s small dimensions meant that the making of ‘sometime’ was largely limited to a small office space, in Branch’s larger office it appeared rather that narrative efforts were necessary to elicit the sense of ‘shared space’, primarily through a shared sense of time. Such narratives in this sense turn the office into a futuristic ‘chronotope’ (Bakhtin 1981), characterised by the unity of narrative, space, and time, which was particularly visible during office tours given to new employees and outside visitors. The following is a description of the office, following the ‘standard pattern’ of such tours which I have both experienced as a guest and given to visitors as a guide.

Branch’s office was located only a few minutes away from Yūrakuchō station (Appx. 13), one of the most expensive office areas in Tokyo. After coming from Twig’s office in

Shibuya, the contrast was considerable. The area was characterised by broad avenues, luxury stores and hotels, modern high-rise buildings, and the Imperial Palace in its vicinity. The office was on the fifth and seventh floors of a large high-rise building, and served by more than eight high-speed elevators.

On the fifth floor, a large inviting entrance measuring 4–5 metres in width led visitors into an entrance area of roughly a hundred square metres in size. The area appeared futuristic and orderly. It was characterised by big windows and light wooden décor. Throughout the room, one could listen to relaxing pop music, and people were scattered across different tables. In the reception area, instead of talking to a secretary, visitors entered their name and contact details into an iPad. They then selected the person they had an appointment with, who would be contacted through the company's internal Slack team chat platform. Rather than hire a secretary, Branch used technology wherever it could to innovate and achieve *supīdo*.

In the first part of the tour, the guide introduced visitors to the main themes of the start-up's narrative (which will be described in more depth in the next part): fitness and behavioural change through technology. After a brief greeting and business card exchanges, the guide made visitors aware of the 'kitchen' behind the company's reception area which, although not actually used, was symbolic of the company's focus on nutrition. The guide then led visitors to a fully functional gym to the right side of the entrance. Within the gym, visitors were introduced to futuristic-looking workout machines. In the corridor leading further into the gym area, a number of Branch products, such as fitness balls or supplements, were placed.

The guide made visitors aware of the products and how they fitted into the company's app service. At the back of the corridor were massage rooms: 'To avoid disturbing customers, we should not enter', the guide remarked. The tour guide then turned

around and traversed the reception area towards the actual office work space. This part of the tour linked the company's app and products with 'real' people, presented as sincere and passionate employees.

Just outside the office workspace, still within the entrance area, were several meeting rooms with transparent glass walls and big TV monitors. Visitors could take a look at ongoing meetings and large presentations projected onto TV monitors. Opposite these meeting rooms was a white wall displaying the company logo and upbeat, handwritten messages created by employees: 'No pain, no gain [...] create a memorable project! [...] Just do it! [...] Get out [of] your comfort zone! [...] let's create a world in which everyone knows Branch'.

The guide then unlocked the door separating office and entrance area using their fingerprint. 'A measure of caution', he commented. The main office was a large, open, 300m<sup>2</sup> room. Within the office, the atmosphere was hectic. People walked around, held meetings, or discussed their projects with their team members while seated at their desks. Despite the office's relatively large size, desks were placed close to each other. Directly next to the entrance was a large open meeting space, 'Exchange', reminiscent of a miniature Roman theatre. Inside 'Exchange', one could stand comfortably and talk to 30 people. Four smaller meeting rooms were to its right. All the company's meeting rooms were named after different elements of the Branch Creed, the company's behavioural guidelines (e.g. NeverSurrender, Speedy, Exchange, etc.). Other open meeting spaces, so-called '*fami resu*' seats (as they looked like Japanese family restaurant seating), were at the back of the room near the windows.

The office had a fixed seating order, and different teams sat together. Executives sat among employees, their respective teams and secretaries. Some of the representative directors, such as the CEO, CFO, or the chairman of the board, were sitting at the head of a

table, but otherwise ‘hierarchically’ superior employees were difficult to discern from ‘ordinary employees’.

The guide then explained which team sat where and how they contributed to the app: ‘Here is the designer team, this is where company representatives usually sit, this is where I sit, here we have the engineer room...’ Occasionally, one of the representatives was available to exchange niceties, which lightened the mood.

The guide then walked to the engineer room. The room was physically separated from other teams by a sliding door. This area of the office seemed calmer. It had slightly dimmed lighting — only spotlights — and black walls on which employees wrote messages or notes with chalk. Within the room, which was considerably less noisy with the exception of keyboard noise, the guide commented in a hushed voice so as not to disturb employees: ‘The room is designed to heighten concentration’. The visitor group exited the engineering space through another door which led outside, into the corridor Branch shared with other companies.

The tour then moved two floors higher up. The last part of the tour put the focus on bonding and fun, introducing event venues, a kitchen, and a media studio. The area just outlined served departments that concerned product creation: management, engineering, design, etc. On the seventh floor were administrative functions such as legal, finance, accounting, customer service and HR. As the size and design of offices on the seventh floor was similar to the previous office areas, the tour guide skipped them. He instead continued walking past these offices for 30–40 metres until the entrance to the company’s all-employee meeting hall became visible.

The hall was completely black, with a bar near the entrance area, large pillars, and enough space for 300 employees. At the back of the hall, large projector screens played the company’s PR videos in endless loops. A seemingly upbeat Japanese top model performed

various exercises in a minimalistic fantasy setting. Visitors sometimes uttered phrases such as ‘Wow! It’s like Silicon Valley here’. At the right side of the hall were a number of training devices, such as indoor cycles, which were usually not used but which the tour guide also pointed out to the visitors.

The tour then continued onwards to an adjacent corridor. After knocking on a door, the guide introduced a ‘healthy’ kitchen area that provided food for the company’s employees. The room measured roughly 30m<sup>2</sup>, was lightly coloured like the rest of the office, and filled with décor such as glass jars and green plants. In front of such décor were several large buffet bowls that contained a mix of Japanese, Chinese, and European dishes.

Opposite the kitchen, the company’s media studio was located. The studio featured spotlight cameras and other equipment necessary for media content production. The guide explained how, in this room, the start-up’s content team produced digital content that was shared through the start-up’s app and its social media accounts. The tour then concluded, and the guide led visitors towards meeting rooms or back to the building elevators. In front of the elevator the guide thanked them for their visit and wished them farewell, bowing appropriately until the elevator doors closed.

What appeared striking in such tours were the large dimensions of the office and the care given to presentation. By contrast to Twig and other early start-ups’ one-room layout, that allowed for daily interaction with all start-up members, intimacy and cohesion were not naturally enabled by the Branch office’s size. Instead, they had to be constructed through a chronotopic narrative and symbolism, through the display of the company’s futuristic products, employee teams who realised near future *bijon*, or their motivational messages. The company’s *bijon* became captured in particular rooms, such as the company’s kitchen, or its outlandish assembly hall where all employees would occasionally come together.

The increased dimensions of the office appeared, then, in addition to employee count growth, employee turnover, and increased organisational hierarchy, as factors that threaten a ‘monolithic’ organisation. The ideological and academic background that might have informed Wada’s insistence on cohesion appears to be anchored in emic Japanese concepts such as the company-as-family, organisational theory, psychology, and related functional theories of culture. While I have in this section already outlined some of the discourse and symbolism deployed to increase cohesion, I will in the next sections discuss in depth how the notion of *kakugo* appeared interlinked with the start-up and its founder as well as how it was performed and symbolically captured in frontstage narratives aimed at ‘banning’ the spectre of team decay.

## 6.2 The Promise of Dedication

In this section, I will first outline how employee resignations were framed on the company frontstage usually with reference to the importance of dedication. Those who were not committed should better leave, as they impeded the start-up’s progress, according to the frontstage narrative. These statements are in contrast to backstage statements revealing the strategic efforts (better compensation, promotions) and the emotional, affective practices Wada and the HR department employed to retain ‘key’ employees who wanted to quit.

The following part recounts how Wada promoted *kakugo*-as-promise on the employee induction event frontstage. *Kakugo* figures as what fuelled Wada’s past success and his life story. Similarly, employees should commit to the company by following its *bijon* and applying the Branch Creed, a set of practice virtues. Execution and devotion to the company means here acting in accordance with the company’s values and goals rather than

open discourse or discussion. I also describe how employees and managers repeated the message of *kakugo*-as-promise in Branch Creed posts which revolved around introspection (*hansei*) on the company's internal chat platform, its digital, formal frontstage. Post writers often critically recounted past shortcomings in regards to the Branch Creed practice virtues and how they might better themselves in the future. Some department heads also seemed to figure as direct animators of the founder's message without applying a *hansei* format.

The last part of this section lays out how people were critical of *kakugo*-as-promise. Such critiques point towards the 'excessive' importance assigned to the concept and its 'religious' aspects (*kakugo*-as-religion). What appears 'religious' here is the manner in which positive outcomes were not only anchored within the fidelity of the concept itself and the social accountability of the founder or others who promised good outcomes through *kakugo*. The focus on 'correct' and 'wrong' practice instead redirected such focus towards the individual applying *kakugo* practices. Clearly knowing whether one's application of the Branch Creed was lacking or whether the Branch Creed guidelines and the outcomes promised (*kakugo*-as-promise) were faulty was thus difficult. Such 'religious' aspects were further intertwined with claims to hierarchical dominance: those in higher hierarchical positions also excelled at exerting the Branch Creed and were thus more committed than others. Differences in perspective led to conflicts in various frontstage events such as 'value lunches' and the company's anniversary event.

The topic of employee turnover, in particular, frequently resurfaced within the company's frontstage. If a strong company was one of 'monolithic' dimensions devoted to a near future *bijon* (as outlined in Chapter 6.1), then the departure of employees might imply the lack of such cohesion, the lack of strength. If the founder's person and performance of possibility was partly what should attract people and 'bind' them to the start-up, then such resignations

also threatened the ‘authenticity’ of the founder, and changed the background underlying such claims. Resignations conjured the spectre of team decay. In addition to such ‘strategic’ reasons and frontstage promotion efforts, resignations in particular of long-term team members were hurtful and stressful for Wada, the founder, as apparent in backstage statements.

To deal with actions that might hurt possibility or the perception of the start-up as a whole (e.g. ‘as my colleague left, it’s maybe also time for me to leave’) management members promoted notions of ‘good’ and ‘bad’ employees. A high turnover rate was not ‘bad’, but rather an unavoidable or even beneficial matter. After all, not everyone was a good fit and ‘real’ strength only came from ‘real’ dedication. In meetings with external parties, the company’s CFO, Suga, for example, often repeated a comparable logic when asked regarding the company’s employee turnover rate. Suga was in his mid-fifties, with very short hair, and often wore polo-shirts and chinos. He frequently appeared as a virtuoso negotiator who knew what to say at the right time to make a conversation go ‘his’ way. On several occasions, comments indicating that the employee turnover rate seemed high were met by affirmations from his side that this was ‘good’. It was ‘good’ as it meant people who were less qualified or less ‘fitting’ would leave and make space for better new hires, the executive usually claimed.

Similarly, within frontstage, all-employee meetings, the founder, Wada, implored employees who perceived working in Branch as meaningless to quit:

If your work has no meaning (*imi ga nai shigoto*), stop doing it, it’s better you go to another company. I am not interested in running a sloppy company (*yurui kaisha*).

What appeared implicit in such claims was that, while not everyone in Branch might have been fully committed to the company’s *bijon*, those who left were certainly not, and this was no problem. Such ‘cool’ frontstage acts were often in contrast to the stories employees

shared in the informal backstage, which show how the spectre of team decay appeared to drive Wada's efforts. Wada was known to engage in hour-long private talks, in particular with long-term team members who wanted to quit. During such talks he would sometimes tearfully implore them to stay at Branch. Employee turnover was not simply inconvenient, but hurtful and stressful.

Similarly, in formal backstage settings, the 'cool' language surrounding dedication as a functional notion was contradicted. Dedication was important but, ultimately, Branch was a start-up, and there were people who, due to their skills or knowledge, had to be retained because replacing them was difficult. The company's head of HR, for example, reflected in the company's digital workspace how it was important to distinguish between 'people who could quit and people who should be retained' (*yamete ī hito to yamete wa komaru hito*), based on a yet-to-be-created 'list of non-replaceable [company] members' (*ripureisu-fuka menbā no risuto*) written by the founder. Efforts to retain such key employees were, though, rarely openly visible or shared on the frontstage, as they related to salary increases, hierarchical advances, etc. Employees instead shared rumours in the informal backstage, e.g. on their way to buy coffee or during lunches. They talked about how, for example, the exit of Branch's co-founder from the executive committee was accompanied by efforts to retain his position and department. This was despite a lack of profitability and scalability. Others, such as the head of HR, appeared to have been awarded the title of non-executive director after rumours of her potential resignation had been shared within the company.

The focus on *kakugo* in frontstage settings appeared, in this sense, foremost as a background intended to promote dedication to the founder's message of possibility. It was a form of ideological employee retention that designated 'good' (those who are committed) or 'bad' (those who leave) employees. In the backstage this ideological, functional claim

was not necessarily applicable to all employees. Similarly, the stressful spectre of team decay emerged in the backstage and appeared to contradict the ‘cool’ rationalism underlying such claims in the frontstage. Rather than foreground such emotional matters — the pain of saying ‘farewell’, which remained hidden in the backstage — the strategic and promising aspects of dedication were promoted in the frontstage, as I will outline in the following sections.

### *Kakugo*-as-promise in the Employee Induction

This ‘functional’ frontstage background in particular was already laid out during the employee induction, which similarly posited ‘good’ and ‘bad’ employees according to dedication. Rather than threatening, dedication was presented as a promise (*kakugo*-as-promise). The effects of dedication would positively affect the organisation and individual development in various ways. Such promise making, as in Twig’s case, was similarly subject to singular authorship by the start-up’s founder.

Arendt’s (1998 [1958]) remarks on the connection between promises and the future appear relevant here: ‘When people come together to bind themselves to a future, the covenants they create amongst themselves can throw “islands of predictability” into the “ocean of uncertainty”, creating a new kind of assurance and enabling them to exercise power collectively’ (Arendt 1998: xix). While the act of promising here appears as a useful social and performative act when confronted with the future, the claim ‘I promise’ elicits questions, like the claim ‘I know’ (Austin 1946). Knowing always begs the question of, ‘Are you in a position to know’ (1946: 160), while in the case of promising people similarly have to prove that they ‘are in a position to promise’ (ibid.). Promising in this sense necessitates a background, a particular frame which makes an actor’s promise, their ‘position’, believable.

One of the earliest instances of such background-making in the context of *kakugo*-as-promise was the employee induction. The employee induction included administrative introductions concerning company regulations, salary, or employee benefits, while it also focused on the company's services and its near future *bijon*. It took place in a meeting space called 'Exchange', which was only partially closed off from the rest of the office. Reminiscent of a Roman theatre, two rows of seats forming a rectangle enclosed a table with additional seats around it. The space could comfortably accommodate 30 people. The founder was seated at the table in front of roughly 15 attendees, and two large TV monitors were placed behind him. The group was a mix of around two-thirds new graduates (*shinsotsu*) and one-third experienced new joiners (*chūsotsu*).

Wada founded Branch in 2012, when he was 27, and the company had begun to grow rapidly from 2014 onwards. When I met him in 2019, his hair was long enough to enclose his face, he was taller than the Japanese average, and often wore a distinctive mix of clothing (leather shoes, white trousers, black shirt), as employees pointed out. Like Higashino, he similarly positioned his life story as the inchoate, the uncertain, unknown background from which action, in this case Branch, followed. In a manner fitting such a background, his low, monotone voice seemed to carry his words in a sincere, almost solemn, manner. He assumed a slightly hunching posture and looked in an intense, concentrated manner at those sitting before him.

Wada had first worked as a fitness trainer, but training people in the gym did not satisfy him. Branch was the result of his wish to help people beyond those he could train personally. Branch's app or other digital services could reach a larger number of people, and help them change their behaviour for the better in order to prolong healthy longevity. Thus, the company's *mission* was to provide 'Personalized AI for all'.

Wada was a child that others were told to ‘stay away from’ (*chikayoruna*). He was a rebellious child with bad grades, someone who went home during school class when scolded. Despite his shortcomings, he had received help when he needed it throughout his life. When he was still a fitness trainer earning no more than 100,000 JPY (roughly 930 USD) per month, an older female neighbour made food for him, and others ‘showed him the ropes’ when he began working in the gym. Then such people fell sick, and he couldn’t help them. This inspired him. This was why he founded Branch, and why the company’s *bijon* was ‘helping unique, precious lives succeed’, a phrase that seemed to incorporate the altruism of *shakai kadai kaiketsu*.

The reason he had come this far despite such a difficult upbringing, and why Branch became as large as it was now, was *kakugo*, he continued:

I understood that the most important thing in life is *kakugo*. I was selected as an entrepreneur (*sogyōsha ni shita riyū*) because I don’t give up (*akiramenai*), I don’t run away (*nigedasanai*), I will survive no matter what (*zettai ni ikiru*), I don’t delegate [responsibility] (*nagedasanai*), I will see it through until the end no matter what (*yarikiru zettai ni*).

Throughout the induction the founder repeated comparable statements such as:

I never thought of myself as a genius (*tensai dato ichido mo omottenai*). I only think I tried harder (*dōryoku shita*) than anyone else.

*Kakugo* was in this sense what had powered his movement away from the inchoate, it was what allowed for Branch’s existence and was thus — without a doubt — important. Wada then explained Branch’s core products and its app platform, an AI-powered gym trainer and health advisor, could help people remain healthy. The app collected information about the user’s movement patterns and estimated their individual ‘KPIs’. As in Twig’s case, the company’s customers appeared in such a manner ‘removed’ from the everyday of employees. Depending on a user’s KPIs, the app praised the user’s efforts or encouraged them to engage in more workouts, sleep, or documentation of what they had consumed. When done

successfully it praised the user's efforts. 'Good' behaviour was rewarded with points which could be used for health-related products sold through the app. This combination of encouragement and reward should lead to positive conditioning and behavioural change.

Data collected in such a way could be combined and analysed in various ways to help improve the user's health. The company's income streams were related to the app's e-commerce service and in-app advertisements as well as a premium app service. While the majority of the company's employees were engaged in services related to its app, the company also provided other health-related services. Throughout its development, the start-up had experimented with various business ideas which were often not fully abandoned but included in the company's app platform. Branch's gyms and corporate employee health surveys, as well as one of the company's earliest products, a personalised diet service supervised by a nutritionist, all remained in some way linked to its app. This was deliberate, as Branch's app would eventually become an AI-powered holistic health platform that addressed all necessary fitness and wellbeing needs such as sleep, nutrition, and exercise.

While *kakugo* was then what had defined Wada's life and would help create Branch's 'good' products, it was also what would create a 'good' organisation. This was an organisation which portrayed cohesion and a uniform understanding of culture, as Wada's PowerPoint presentation indicated. In the slides, various notions that people invoked in the context of *hanayaka* freedom (also see Chapter Three) resurfaced. Personal growth (*seichō*) and *ōnashippu* were posited as intertwined with cohesion, a belief in the founder's near future *bijon*, and discipline:

- 1 Every individual (*kojin*) grows continuously (*renzokutekini seichō shiteiru*)
- 2 We are an organization of people who act independently with *ōnashippu*
- 3 There is no disharmony (*fuwa*) in human relations (*ningen kankei*)
- 4 There is tenacity (*shūnen*) regarding the *bijon*/goal of the organization
- 5 Discipline and order (*kiritsu*) is followed (*junshu de aru*)

*Kakugo* here is defined and intertwined with ‘discipline’, ‘tenacity’, conflict avoidance, *ōnashippu* and individual growth. Individual growth is what one earns through *kakugo*, while the other four notions (*ōnashippu*, no disharmony, tenacity regarding company *bijon*, discipline and order) are ways of performing *kakugo*.

Wada then explained further how *kakugo*-as-promise would help people achieve great results, while those who failed to commit risked destroying the organisation. People could be differentiated according to *sukiru* (skill) and *maindosetto* (mindset), another way of saying *kakugo*. He presented a chart (Fig. 9) which outlined where employees could position themselves: the y-axis signified *maindosetto*, the x-axis *sukiru*. 1, or 100%, meant the maximum value one could reach on both axes.

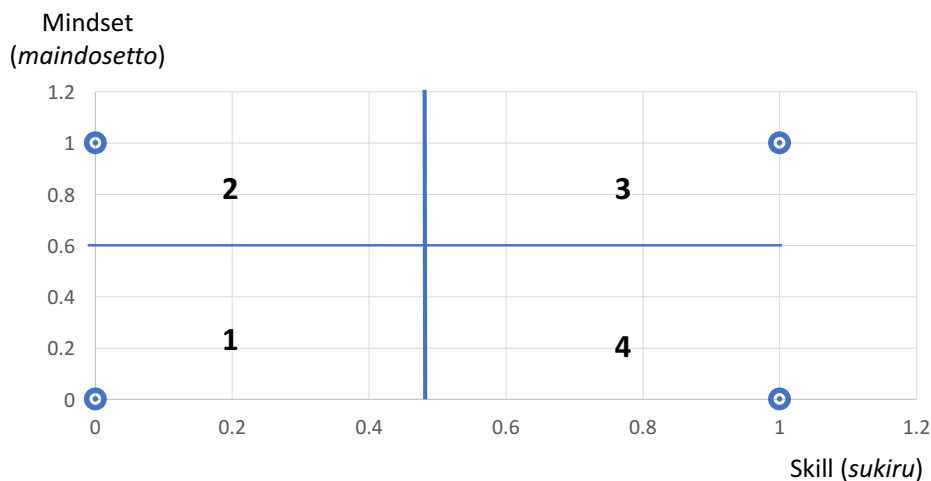


Figure 9. *Maindosetto* chart with four quadrants, x axis describes *sukiru*, y axis *maindosetto*, 1 is the best, 0 is the worst. The four quadrants describe different combinatory types: low *sukiru*, low *maindosetto* (1); low *sukiru*, high *maindosetto* (2); high *sukiru*, high *maindosetto* (3); high *sukiru*, low *maindosetto* (4).

People could be low in *maindosetto* and *sukiru* (indicated in 1). To avoid hiring such people, HR interviews were needed, he explained. Others, (marked in 2) were high in *maindosetto* but low in *sukiru*. He had ‘high expectations’ (*kitai shiteiru*) for such employees; most new graduates would be of such a nature, he added. Another good group of employees were both excellent in *maindosetto* and *sukiru*, and these were often leaders or executives (marked in

3). However, what he wanted to make everyone understand was the worst type of employee, those who were highly skilled but lacked *maindosetto* (marked in 4):

We can't ignore red lights (*akashigō wo mushishicha dame*) [...] People with *sukiru* but no passion (*netsui*) are cancer (*gan*); people who have worked in big companies — Microsoft, Google — they come to start-ups and their performance does not add up [...] then they blame the product, the leadership, etc. [but] they don't realise that they have been successful because they had a big name supporting them [...]; people who perform well don't blame the company (*kaisha no sei ni shinaide*)

Instead of 'destructive' critique, working in a start-up for Wada was about 'fighting with one's charm' (*jibun no miryoku de tatakaeru*), and this appeared linked to a form of frontstage communication which was often described as affective 'passion'. The employee induction appeared also to involve such moments of 'passion' which became again linked to *kakugo*-as-promise. The enactment of such 'passion' in its focus on affective convincing appeared reminiscent of the performance of *konfidensu* during fundraising (see Chapter Four). In Wada's case, such convincing was characterised by a repeated insistence on what a founder could do to fulfil a promise:

'Y-kun, sell me this water bottle for 1000 Oku Yen' (*Kono botoru wo 1000 oku yen de uttekure*), Wada asked a new employee. Amidst an atmosphere that was filled with slight nervousness, the new employee launched an attempt to sell the bottle.

The founder then demonstrated how he would do it. Leaning forward, sounding unwavering and determined, he promised:

I won't give up no matter what, I will guarantee with my life (*watashi no jinsei wo kakete*) that I will return the money, I will return it no matter what in the future, no matter what (*zettai ni*).

'Passion' appeared for Wada, in such contexts, linked to the willingness to stake whatever one had, 'my life', for a cause. He then explained the role of 'passion', how it informed *kakugo* and what he had shown:

This type of selling works with passion (*netsui*) alone, without consciousness (*ishiki*) [...] if you are without passion for this company why did you even come (*nani shi ni kitanda*)?

*kakugo*-as-promise appears in this instance, then, as a notion related to Wada's life story of 'success' and the affective 'passion' that fuels promises. What appears particular about the definition of the notion is its link to practice. *Kakugo* can be shown through discipline, belief in the company's *bijon* and goals, and an avoidance of 'disharmonic' quarrels. The notion values embodied and affective 'action' higher than 'discursive' critique. Despite such insistence, the concept did not obligate the use of the company's products. Rather, *kakugo* was primarily directed towards the collective and the company's *bijon*. This is unsurprising within the context of a growing organisation. 'Pivoting', the act of changing one's business model and products to address shortcomings in economic performance, is a part of the start-up model. Products were in this sense fleeting existences, while Branch as a collective was 'stable'. I elaborate on *kakugo*-as-promise further in the following sections.

#### Managers and Employees Animate *Kakugo*-as-Promise

Wada was not the only person who invoked *kakugo*-as-promise within Branch. Unlike at Twig, managers and employees were often obligated to figure as animators (Goffman 1981, as previously introduced in Chapter Five) of *kakugo*-as-promise. One example of this are Branch Creed posts. These were short texts posted on the company's online workspace regarding the Branch Creed, a set of behavioural guidelines which Wada introduced within the employee induction as forms of behaviour which defined 'good', committed employees. Dedication to such values should offer a 'stairway towards growth' (*seichō no kakedan*). People would nominate each other to 'share their thoughts' and figure as animators. Over the course of more than a year, around 232 posts were published on the company's internal digital workspace, its digital frontstage.

I will first briefly outline the Branch Creed, its ambiguous perception within the company, and its role in the company's digital frontstage. Then I cite several examples of two different categories of Branch Creed posts. The first are 'animatory responses'. Animatory responses are texts written by employees that apply introspection (*hansei*) in regards to the Branch Creed virtues. In such texts, people usually vowed to better themselves as they failed to fulfil the ideals of the practice guidelines. They in this sense indirectly confirmed *kakugo*-as-promise, which makes these texts animatory responses. The second category are texts where department heads directly figured as animators of *kakugo*-as-promise by repeating and further developing similar concepts and statements as outlined in the context of the employee induction.

The Branch Creed (Appx. 19) promoted a number of 'virtues' which one might also find in a similar form in other companies: dedication to the company's *bijon* and goals, efficiency and accuracy, independence, engagement in communal efforts, a proactive attitude, perseverance, endurance, responsibility-taking, the avoidance of blame, self-control, positive and empathic engagement with others, teamwork, openness to other opinions and data, integrity in the case of mishaps, ambition to achieve high goals and *seichō*. People rarely criticised the content of such virtues. On the contrary, employees perceived certain virtues as particularly fitting for a start-up. The virtue *Speedy*, acting efficiently and getting things done quickly, was 'part of what makes a start-up fun'. *Branch Family*, dedication to the company and its goals, was necessary to conserve cohesion, so 'that the company doesn't crumble'. *NeverSurrender*, 'see this product through to the end', was important, as without perseverance many start-ups 'disappear'.

Rather than the content of such virtues, employees were often unhappy to figure as animators of *kakugo*-as-promise and they criticised the extensive effort invested in the

Branch Creed texts. Getting everyone to act as animators of *kakugo*-as-promise was thus not easy. For example, the team I was in didn't write any texts and only 1 of the other 5 executives wrote any. When confronted with this in an informal backstage interview, the founder was surprised: 'I did not know that! That's not ok (*dame dana*)'. He then commented critically regarding his executive colleagues: 'At a certain time, I posted [Branch Creed values] every day: we should have forced the older executives to adhere to the rules'.

Employees were aware of such a disconnect regarding *kakugo*-as-promise in the top executive layer. Arai, a long-term intern, for example talked of bad 'role division' (*yakuwari buntan*) regarding the affective aspects of *kakugo*-as-promise in an informal backstage interview:

The *bijon* and the story was only [the founder], the emotional side (*kimochi no bubun*) was only him [...] I had the impression other executives could not really identify (*kyōkan*) [with what he promoted], there were a lot of conflicts.

Such disagreements were, though, subtle. When asked, in an informal backstage interview, why he and other executives didn't write Branch Creed posts, the company's CFO, for example, simply responded: 'I don't know [why executives didn't write] [...] we created this'. At the same time, he stressed that he was proud of the Branch Creed, and that the values were the result of debate among the executive team which ensured that they were 'continuous' from well-known corporates such as 'Nike, [...], Mitsubishi', and so on.

The formal importance Wada attributed to *kakugo*-as-promise was particularly visible in Branch Creed posts, as they were published in a highly ritualised space, Branch's Slack workspace. Slack is a digital workspace and team-chat platform that all *mura* start-ups I encountered used. Within such workspaces, there were similarly frontstages and backstages. Channels, for example, could include all start-up employees and were only devoted to particular topics. When people wrote in such channels, they tried not to write anything that

didn't fit its particular context. In Branch's Slack there were 9 frontstage channels which all members joined. Such limitations were deliberate, and channel creation could extend far beyond these 9 channels. I was a member of 57 channels in total. Most people would use 4–5 channels on a regular basis. Other channels might function as archives or points of contact for occasional inquiries directed towards other teams. Employees further created channels for all sorts of purposes including seemingly informal backstage purposes such as badminton or gyoza. As one didn't know everyone in such channels and as they might also include managers, they appear as contexts caught between informal backstage and informal frontstage.

The first four channels were part of the formal frontstage (001\_reception, 002\_general\_info, 003\_ro\_internal\_ops, 004\_ro\_product\_ops). They served administrative and functional purposes which the start-up, as an organisation, required. Branch Creed posts were usually shared within 002\_general\_info, although this channel mostly revolved around information regarding company-wide meetings, visitors, rules, etc. The choice of this particular formal frontstage channel was in contrast to other channels, such as 900\_casual\_chats, an informal frontstage channel also addressing all employees. 900\_casual\_chats revolved around remembering and promoting companywide events. It contained pictures that showed the laughing faces of members who had taken part in such activities or posts that made people aware of upcoming communal activities (yoga club, badminton, etc.).

The Branch Creed in this sense was assigned an importance beyond the 'informal'. This importance seemed similarly implied by 005\_Branch\_spirit, a channel including all employees in which a chatbot posted 2 of the 10 Branch Creed virtues per day. Besides the chatbot, no one else posted within the channel, but every employee was automatically a part of it. For eternity, so it appeared, the channel would recite and animate *kakugo*-as-promise.

## Examples of Branch Creed Posts

Employees appeared to mainly write two (largely similar) types of Branch Creed posts. One revolved around *hansei* (introspection) — expressions of remorse regarding one's inability to achieve the Branch Creed in particular and vows of betterment. The other linked the Branch Creed to generally-applicable ethical notions of 'good' behaviour. Rather than articulating something 'unique', the Branch Creed simply rephrased generally applicable rules, so the latter category of texts seems to imply. Both, though, appear as forms of animatory responses, proof that the founder's claims regarding *kakugo*-as-promise were true in some way. This was arguably more the case in the first category of *hansei* texts due to their specific focus on the Branch Creed in relation to one's past shortcomings.

The practice of *hansei* itself is common in Japan and a part of early childhood education (Cave 2007), but people were often dissatisfied with the effort exerted for such *hansei* (text writing) and the 'ideological' constraints (Branch Creed) applied. There appears to be a link between *hansei* and notions of a development of 'general morality' (Taylor et al. 2005). In the critiques of people, 'restraining' introspection through the Branch Creed meant a restraining and directing of one's sense of morality, and at the same time it also appeared to figure as a confirmation of the *kakugo*-as-promise claims the founder made. Branch employees in this sense wrote animatory responses (to adapt Goffman's (1981) previously-introduced differentiation of principal, author, and animator).

One example of this was Kumagai's post, who had first worked as one of the company's secretaries and then assumed a different role after a burnout-related break. He reflected on his own behaviour by strictly framing it with regard to the Branch Creed. After 'reflecting deeply' (*fukaku kangaeru*) about growth (*seichō*), he had come to the following conclusion:

My weakness (*yowami*) is *Speedy*, and within the number of different areas where one can apply *Speedy* (understanding, commencement, response, etc.) it is commencement (*chakushu*) where I feel I am particularly slow (*tokuni osoi*) [and thus not *Speedy*].

As over time he was unable to fix this weakness, he had also failed to fulfil the Branch Creed value of *Improvement*. This made him feel ‘mortified’ (*kuyashī*). To better himself in the future, he would keep *Improvement* in mind:

Without changing one’s dimension of thought (*shikō no jigen*), one won’t be able to change oneself (*mizukara o kaeru*). [...] It is by following *Improvement*, by having the courage to aim for high goals (*takai mokuhyō o mezasu yūki ga aru koto*), that delivering more than what is expected becomes possible.

An example of the latter category of employee texts was Sugimoto’s post. Sugimoto had been with the company for four years, and left the company shortly after my fieldwork in Branch. She later stressed how ‘tired’ she had been of the founder’s ‘long-winded’ (*hanashi ga nagai*) talks and performances surrounding *kakugo*-as-promise, although this was not primarily why she left. Her post appeared to reflect this ‘distance’, and mainly revolved around introspection and thankfulness towards a colleague who had helped her improve her English abilities rather than ‘only’ introspection regarding the Branch Creed:

Yesterday, I understood how just one word becomes important for feeling (*kanjiru*) the Branch Creed value *Teamwork*. [...] After several corrections, my colleague told me that he would prefer to use the phrasing ‘We showed’ instead of ‘I showed’, as he wanted to make clear [that] ‘the whole Team and I included explained [the product]’. [...] Just by changing that ‘I’ to a ‘We’ it becomes possible to [...] feel *Teamwork* (*Teamwork o kanjirareru*). I would like to thank [my colleague] not only for his translating efforts but also his *Teamwork* related ‘Tips’: ‘Thank you [...]!’

While there were differences in the focus on the Branch Creed and thus in ‘confirmatory’ intensity, such *hansei* posts still figured as proof of *kakugo*-as-promise in how they related the Branch Creed to personal success or failure (Kumagai’s post with an explicit focus, Sugimoto’s post through references). They were in a sense ‘indirect’ forms of animation or animatory responses of *kakugo*-as-promise.

In contrast to animatory responses were the texts of several department heads who advanced arguments as animators of Wada's *kakugo*-as-promise claims. They similarly appeared to promise positive effects resulting from dedicating oneself to the start-up.

Otsuka, Branch's head of design and a non-executive director in his late thirties, for example, invoked *kakugo*-as-promise as an aesthetic matter in his Branch Creed post. Dedication to the company's *misshon* and *bijon* defined 'beautiful' behaviour: those who followed behavioural guidelines would be aesthetically-pleasing ideal subjects, and ensured the company's success in the future. Employees who joined were often characterised by a 'glimmer' (*kagayaki*) and a 'radiant' (*kirakira*) appearance which was linked to the company's 'good' *bijon*. Without proper practice, these were qualities prone to fade away over time. To preserve such aesthetically-pleasing appearances, people should try to keep the company's *bijon* in mind not only as a concept but as a matter of 'feeling' (*kanjō*):

What everyone should not forget over time is Branch's very good *bijon* (*totemo yoi bijon*) shared by everyone (*kyōkan shite kurete iru*). Branch's *bijon* is its will (*kokorozashi*). Giving this will shape (*sono kokorozashi o katachi ni suruno ha*) is not something done by the company's founder or its executives, but something that happens through the daily awareness and actions of each one of you [the readers] (*minasan hitorihitori no mainichi no ishiki ya kōdōdesu*).

Similarly cohesion-focused, Oda — a male manager in his mid-thirties, one of the company's earliest members, Branch's co-founder, and the department head of its gym outlets — stressed affection towards the Branch Creed and cohesion. The Branch Creed was not just a 'common language' (*kyōtsū gengo*) but the very heart, the *kokoro* (the unity of mind, spirit, and heart) of the organisation.

The notion of individual responsibility for *kakugo*-as-promise, that each individual had to do their part to make such a promise come true, became linked to Wada's belief that uncommitted employees were a 'cancer' in Takagi's post. Takagi, a male department head

in his late 40s, began by explaining how two books, the popular science bestseller ‘7 habits of highly efficient people’ and the Japanese book ‘Law of the mirror’ (*kagami no hōsoku*) had been required reading in Branch when he joined (four years before my fieldwork). The messages of these books related for him to the Branch Creed value of *Compassion*, which ‘revolves around thinking about the other, wanting to encourage others to think about others’ (*aite o omou, aite ni omotte moraitai*). At the same time, one’s action could move others:

In the same way, if one desires the Branch Creed to be present in others, oneself needs to desire projecting (*shimesu*) the Branch Creed. This leads to an organisation where people project upon each other (*tagaini tōei shi ai*), a really strong (*hontoni tsuyoi*) organisation.

Due to such projection, negativity spreads similarly, which explained the ‘cancerous’ effect of uncommitted employees. Accordingly, Takagi argued, employee turnover was not a failure of the Branch Creed or the founder’s near future *bijon* to attract and ‘bind’ people, but a result of negative change within employees themselves resulting from ‘outside’ factors:

Many of my seniors (*senpai*) have already graduated (*sotsugyō shite shimatte imasu*) [i.e. had already left the company]. These seniors have changed due to their struggles with various external factors (*samazamana gaibu kankyō*) and thus became distant from Branch (*Branch o hanareteta*). This is not due to a change in the Branch Creed or the *bijon/misshon* itself but due to change within the person caused by some reason (*sono hito jishin no naimen ga kawatte shimau koto*).

Branch Creed posts in this sense, then, revolved around animatory responses, applying a *hansei* format and further animations of the founder’s original *kakugo*-as-promise. This was in a sense partly a ritualised, animatory ‘call and response’ exchange with predetermined answer patterns aimed at affirming an overall message and background. Such texts were posted on the company’s digital frontstage, its Slack workspace. They seemed to largely affirm *kakugo*-as-promise in a harmonic way.

As outlined, *kakugo* had a strategic aspect that related to employee retention. In addition, *kakugo*-as-promise was anchored in Wada’s own life story: it was *kakugo* which

had propelled him forward in life, and allowed for the creation of Branch. *kakugo-as-promise* meant one could follow in Wada's footsteps and, by applying the Branch Creed practices, obtain superior results for oneself and the company as a whole. The Branch Creed texts were in many ways affirmations of such an argument. While I have already alluded to their ambiguous perception as exercises that restricted general morality in particular ways, I will further outline such backstage criticisms in the following section.

### 6.3 Critiques: *Kakugo-as-religion* and Hierarchy

The ambiguous perception of *kakugo-as-promise*, which seemed muted in the digital frontstage of Branch Creed posts, was clearly discernible in the informal backstage of interviews. In particular, the implied link between mastery in *kakugo-as-promise* and hierarchical supremacy was seen critically.

I will first outline informal backstage critiques regarding the 'imposed' and 'religious' nature of *kakugo-as-promise*. Then I describe an informal frontstage 'value lunch', an instance during which the conflicting perception of *kakugo-as-promise* led to strife between the founder and Kubo, an employee. To conclude, I outline the company's formal frontstage anniversary event, during which the event moderator linked *kakugo-as-promise* to hierarchical superiority. Following such explanations, employees were encouraged to design presentations in a similarly animatory style as the Branch Creed posts. Independent of such instructions, employees seemed to adapt the concept in their own way, often without mentioning devotion to the company and its goals.

## *Kakugo-as-Religion*

People who wrote Branch Creed posts rarely sympathised with the *kakugo-as-promise* argument in informal backstage interviews. One example of this exceptional minority stance was Fujimoto, an engineer in his late 20s, who stressed that the Branch Creed was a way of achieving internal cohesion and this was ‘good’. Having the Branch Creed was ‘important’ (*daiji*), its ‘shared values’ (*sheado baryū*) ensured an understanding of ‘righteousness’ (*seigi*) as building a long-term business was not only about ‘let’s just do anything to increase sales and profit’. Similarly, writing the Branch Creed was a way of increasing cohesion as one could understand ‘what other people think and their level (*reberu*) of thought (*shikō*)’, as Hirano, a marketing department employee in his mid-30s, pointed out.

The most common critique regarding the Branch Creed, and the promotion of *kakugo-as-promise* in general, was the ‘excessive’ attention given to such matters by those in hierarchically superior positions. In this context, two interlinked aspects emerged: a) the manner in which the same promise was repeatedly ‘imposed’ without dialogue elicited annoyance (e.g. ‘Why should I listen to this again?’), and b) ‘imposition’ and repetition reminded employees of *religion* rather than the negotiation and social interaction a promise allows for (e.g. ‘I won’t believe you if you lie’).

Regarding a), people often criticised the way *kakugo-as-promise* was ‘imposed’ hierarchically. The Branch Creed was implemented in a ‘pushy’ (*pushu pushu*) manner. Sugimoto, who was in her mid-thirties, had spent four years in FiNC, and worked as a life science expert with several teams including my own, put it as follows:

From the beginning to the end the founder chased me; *misshon, bijon*, I just can’t remember it (*hissura oboeteinai*) [...] I thought the way [the founder] talks was really long winded (*hanashi ga nagai*), from the beginning I didn’t really get (*yoku wakaranakatta*) what the founder was on about [...] I thought, ‘wow, this [Branch Creed doctrine] is long, I don’t really remember [...]’

The attention and energy expended for such implementation elicited confusion. For Imai, a non-regular engineer, the ‘amount of time needed’ to write Branch Creed posts and ‘what people learn’ simply didn’t ‘match’, which made the writing of such posts ‘meaningless’ (*imi no nai koto*). The construct was simply too complicated and ‘lacked focus’ (*boyaketeiru*). Similarly, Arai, a long-term intern in his early 20s who had been at the company for a year, perceived the writing of Branch Creed posts negatively: they were almost a ‘pain’ (*kutsū*), a ‘completely redundant duty’ (*wazawaza yaranakyaikenai gimu*). The Branch Creed demanded that one should constantly keep the guidelines in mind while working. For him this meant it ‘really did not work’ (*kinō shinakatta*); the effects *kakugo*-as-promise promoted could not be obtained by following such demands.

Regarding b), interlinked with such complaints was the way in which people criticised *kakugo*-as-promise as a form of spiritual belief rather than an actual promise that depended on the promise-makers’ ability to fulfil promises or forms of empirical proof suggesting causality. Takeda, an engineer in his early 30s who had been with the company for a year, for example, remarked how the ‘spiritual’ (*supirichuaru*) element of the Branch Creed made people uneasy. Such things should not be imposed ‘top down’ (*ue kara*) in a company context. The Branch Creed was not something he would ‘introduce friends to’. Similarly, to Kubo, who was in his late twenties and had worked in Branch for three years, *kakugo*-as-promise appeared ‘cultish’. The way only particular behaviour was defined as ‘good’ irritated him. There was a difference between saying ‘[I] value the importance of hard work and honesty’, and saying ‘you don’t lie in this company’. While one stance tries to encourage others to follow an example, the other dictates right and wrong.

One way in which such critiques could be understood is in relation to how the Branch Creed limited the moral dimensions of *hansei* regarding practice, how the notion of

cancerous employees erected practice taboos related to ‘negative’ remarks, and how ‘correct’ individual behaviour became linked to superior results for one’s personal *seichō* and the company’s future growth. Rather than anchor the fulfilment of the promise within the frame of social accountability — the promise maker having to make the promise come true in some form — the repeated insistence on ‘correct’ individual practice increasingly invoked individual responsibility for good outcomes and in this way deflected responsibility from the promise-maker. In such a manner, uncertainty was introduced and accountability obscured when outcomes different from what was promised occurred. Was the messenger at fault, or had oneself failed to properly observe the promise’s content — the Branch Creed guidelines? This muddling of accountability, of why the promise won’t come true, appears to be what turns *kakugo*-as-promise into *kakugo*-as-religion in such critiques.

The critique of *kakugo*-as-religion seems in this sense to apply a frame reminiscent of what Reader and Tanabe (1998: 14, cf. Hardacre 1986) call ‘practically religious’ or *genze riyaku*: a large aspect of contemporary religious practice in Japan revolves around the practical benefits of religions for one’s present concerns rather than the afterlife and ‘a religion [...] is true because it accomplishes things’ (Reader and Tanabe 1998: 15). The focus on how one could accomplish particular goals only by applying the Branch Creed, and the explanation of failure mainly in reference to the Branch Creed, might be what appeared in people’s critiques as reminiscent of *genze riyaku* and thus inappropriate for a professional context.

### *Kakugo*-as-Promise and Value Lunches

Such various perspectives led to conflicts between those who perceived the Branch Creed as an aspect of *kakugo*-as-promise and those who criticised it as an instance of ‘inappropriate’

*kakugo*-as-religion. This was particularly visible in how employees reflected on informal frontstage ‘value lunches’. In such contexts, *kakugo*-as-promise set apart those who were higher on the company internal hierarchy, which elicited critique in informal backstage settings.

Value lunches were occasions devoted to *kakugo*-as-promise led by company executives, during which people engaged in *hansei* regarding their Branch Creed shortcomings. Since 2015 or even earlier such events had been common. In his Branch Creed post, Takagi, the executive office department head who joined around that time, described how Branch was then still a ‘comfortable small Family’ (*kojinmari Family*). After he entered the company, 15 occasions of ‘Value Lunch’ had been scheduled within a period of 2 weeks. It was only by including both lunches and dinners that this number of appointments could be realised. During the value lunch, he listened to those particularly good at manifesting the values expressed in the Branch Creed (*Branch Creed ga takai hito*), to their Branch Creed ‘values’ (*kachikan*) and ‘interpretations’ (*kaishaku*).

Such lunches were also organised during my fieldwork, although not as frequently and only around once per quarter. The following example of a value lunch was chaired by the company’s founder and attended by Kubo, who was critical of *kakugo*-as-religion. Kubo was in his late 20s, of calm demeanour, and had stuck with the start-up through three tumultuous years. Like many others, he wore youthful clothing and appeared fashionable. Kubo enjoyed the communal creation of new services, and was uncomfortable with confrontative situations such as the following. The lunch took place in a long, stretched meeting room with roughly 10–15 people and the founder present. The room had fitness balls instead of chairs, and people sat or balanced on them while eating their bentos:

The founder conducted the meeting and commented strictly on the answers employees provided. After employees had shared their Branch Creed value strengths and weaknesses, the founder was ready to leave. While in the process of leaving he

muttered, ‘There are no questions for me anyway, right (*Ore ni taishite shitsumon nai yo ne*)?’ Kubo asked the founder whether he perceived shortcomings (*tarinai*) of his own in any of the Branch Creed values. The founder first reacted surprised, and then asked Kubo angrily why he posed such a question: ‘The Branch Creed values are basic requirements, I am struggling with other things three levels (*sandankai*) above you, such as the management of an organisation as large as Branch [...] your question is rude (*shitsurei*)’.

Later, when Kubo discussed what had happened, he was distraught and seemed unhappy. Other employees, he revealed, had confided in him that they had wished to ask exactly the same question.

The founder’s stance and Kubo’s reactions are difficult to explain without the background-creation efforts outlined in the previous sections. From the founder’s perspective, the Branch Creed and its practical application would lead to results as an aspect of *kakugo*-as-promise. Applying the Branch Creed was a way of performing *kakugo*. Those in hierarchically superior positions had excelled due to their *kakugo* to the company and their application of the Branch Creed. As the company’s CEO, he was fully committed to the company and its *bijon* — he was the living proof that *kakugo*-as-promise worked.

Instead, Kubo, who was already sceptical of such *kakugo* arguments, seemed to perceive the Branch Creed as simply one particular definition of virtues which everyone independent of their hierarchical rank struggled to fulfil. While the founder’s stance stressed the meritocratic agency-focused aspects of the Branch Creed, Kubo seemed then to understand the value lunch as an opportunity to establish a sense of shared understanding through the narration of one’s failures independent of hierarchy.

### Appropriating *Kakugo*-as-Promise and Hierarchical Claims

A similar meritocratic argument was made within the company’s anniversary event. The event’s formal part was focused on how, by changing one’s *maindosetto* and committing to the company, one could achieve better outcomes. This was followed by informal frontstage

communal eating and drinking (not outlined). For the anniversary, all of Branch's 300 or so employees gathered for one day in an event hall rented for the event, and devoted most of their day to *maindosetto*. Instead of text writing, people engaged here in presentations in which they reflected on moments of realisation. They presented how they had been lacking in *maindosetto*, how they realised their deficiency, and then improved. I will first outline how Uchida, the event moderator, explained the links between *kakugo*-as-promise and hierarchy. Then, I describe how employees were critical of such links but liked the event overall, which appears related to how they appropriated the concept in their own way during *maindosetto* presentations.

Rather than the founder, one of the company's external directors, Uchida, who had written a book on *maindosetto* and *seichō* (growth), led the event and seemed to figure as author and principal of *kakugo*-as-promise. The event organisation had also given Uchida's book to Branch employees beforehand, and instructed them to read it. Uchida, slightly taller than the Japanese average with short hair, was casually dressed (cardigan, shirt, and chinos) and wore glasses. He seemed to be in his early fifties and talked in a professional and well-articulated manner.

Uchida stood on a stage measuring roughly 5x3 metres in the midst of the event hall. Modern spotlights illuminated a row of tables around which all employees sat together in small groups. They wore magenta-coloured T-shirts with the company logo as required by the company's management. (At previous events, the company T-shirts were not worn by most employees, which caused angry comments from the company's CFO, who pointed out the effort and cost invested in such T-shirts).

Employees placed whiteboards throughout the event hall. On those whiteboards were posters with empty *maindosetto/sukiru* graphs (Fig. 10). 100 was the maximum value one could reach on both axes. Uchida, who remained on the stage, instructed all employees

to place themselves within this x-y-axis graph using post-it notes. They were instructed to do so according to how they perceived themselves, not paying attention to what others did. This was not easy: many participants seemed hesitant about where they should place themselves and stood around the poster contemplating their potential position.

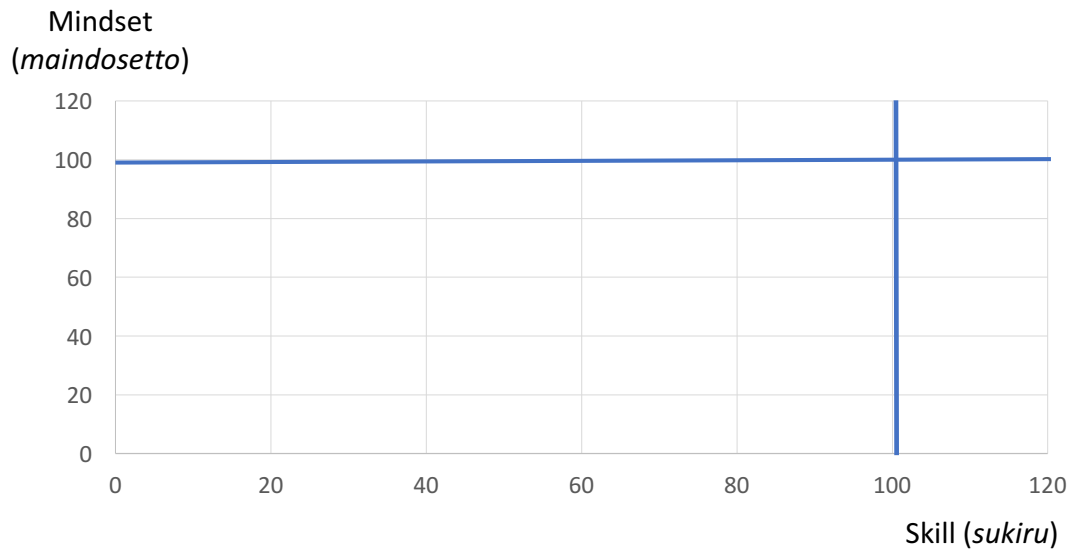


Figure 10. Empty maindosetto/sukiru graph on which employees were encouraged to position themselves.

I, too, felt conflicted. One could not help but wonder: should I be above or below my colleague, my manager, or the company executives? Others seemed to have similar concerns. Tom, a team mate who was slightly younger than me, remarked, ‘I will be below Bjol’, and in the end we placed both our names at roughly the same spot within the graph (Tom slightly higher in *maindosetto*, Bjol higher in *sukiru*), somewhere near 70–80 on both axes (Fig. 11). After all, we would not like to sell ourselves too cheaply, but we also didn’t want to appear arrogant.

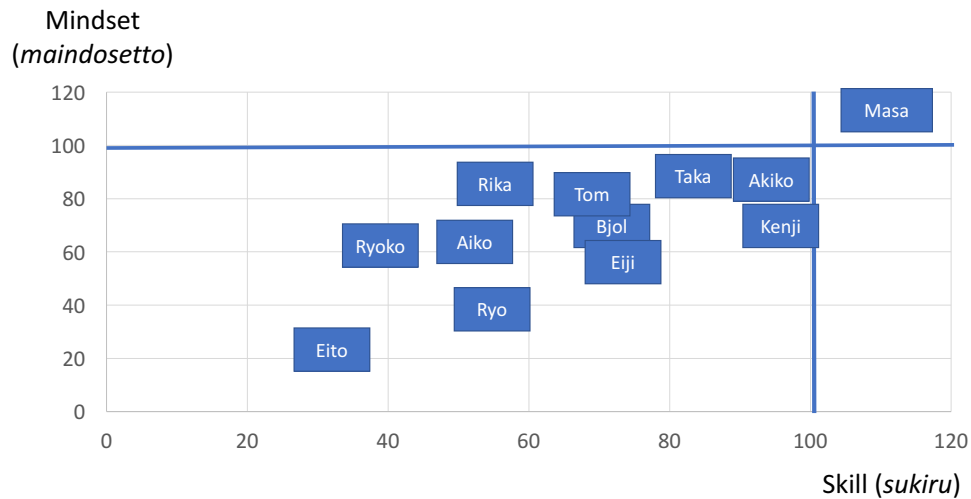


Figure 11. Mindosetto chart with post-it notes carrying employee names.

After the employees had returned to their seats, Uchida explained how he had conducted similar events with other companies and analysed the results he had collected so far. In all events, outcomes were similar. C-level executives or founders, the ‘S-Class’, often placed themselves beyond 100 on both axes; leaders or leaders to be, the ‘A-class’, clustered around 80–100 on both axes; everyone else identified on a lower level. To visualise this, he used slides in which the different groupings (S-class, A-class, etc.) were marked by circles (Fig. 12).

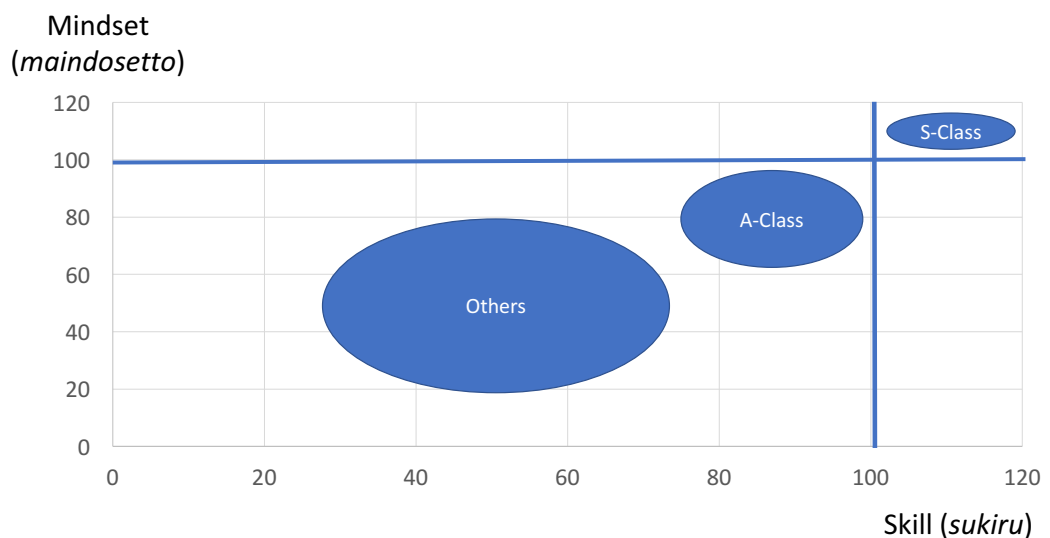


Figure 12. Different classes according to mindosetto and sukiru.

Young, inexperienced founders, in his experience, often had high *maindosetto* but ranked low in *sukiru*. It was their high *maindosetto* which allowed them to obtain key *sukiru*. The aim of this seminar was for everyone to get closer to the A-class and S-class, so that an organisation comprised of 100% entrepreneurs rather than employees could be created, he concluded.

In Uchida's explanation, *maindosetto* was *kakugo*-as-promise. Committing to the company, its products, and its goals would eventually allow everyone to achieve the necessary *sukiru* and *seichō*. This was something already evident within the company's internal hierarchy. Alternative interpretations, such as the possibility that hierarchy was already reflected within the way people perceived their *maindosetto* and dedication relative to others, were in this instance disregarded.

People criticised such uniform arguments, as in the case of Branch Creed posts, in comparable ways. The time dedicated to *maindosetto* was excessive (the anniversary format remained largely unchanged since 2015), and hearing about the concept was 'annoying' (*mendokusai*); people were 'tired of hearing' (*kikiakiteru*) the same things again and again. The unidimensional focus and restricting of people's *hansei* practices to *kakugo* to the company was 'like a religion' (*shugyō poi*), akin to 'brainwashing' (*sen'nō*). Critiques revolving around *kakugo*-as-religion appear here again related to dedication as something people could exert and increase individually. It was not a result of intersubjective negotiation and convincing promising (e.g. 'follow me and I won't disappoint you'; 'I will always love you'), but rather believing the promise in itself was a form of individual practice independent of its socially anchored 'conditions of felicity'.

Despite such negative reflections, people were often happy that they had had a chance to meet everyone in the company. Further, they found ways to appropriate *kakugo*-as-promise. Not all participants followed the *maindosetto* argument strictly in their presentations, and they often narrated personal hardships which they successfully overcame independent of dedication to the company.

These presentations were designed during the event itself and every participant, myself included, first presented their story to those sitting at their table. Each group then selected one ‘representative’ who ‘competed’ with the stories of other groups and so on. Which content emerged on the frontstage through the presentations of the competition winners was in this sense not subject to ‘top-down’ control but a result of ‘bottom-up’ voting. This appears as one reason for the conceptual differences between such presentations and *kakugo*-as-promise. Including the following example, three of the six final presentations failed to adhere to the pattern. A presentation outside of the competition context, given by a new member of the executive committee, also diverged from *kakugo*-as-promise.

One example of such ‘divergence’ was Kenji’s presentation, which he gave in front of the whole company. Rather than invoke *kakugo*-as-promise, the male employee in his 40s focused on himself and how he had overcome various challenges throughout his life. While talking, he stood up straight, and often looked at his notes. Kenji seemed skinny for his age. His serious, almost solemn tone matched the emotional weight of his presentation:

I was born with an illness, an inability to speak words without hesitation [stuttering]. I was bullied in school, and while job hunting I had many problems. I struggled with interviews, I couldn’t say my own name. I practiced saying my name 100 times... I was ‘heart-broken’ (*kokoro ga oreta*). I felt society was set up against me and I blamed my faults on my sickness. However, I did not want to give up just because of my illness. I studied a lot and I recognized that for me it was my willpower which formed the basis of good results. I realised that I had changed inside. I used to hide my illness in interviews, but I decided to confront it and share it openly to encourage other people.

Such presentations appeared to be why people who disliked the *maindosetto* concept, such as Arai or Kikuchi, at the same time stressed how they enjoyed the event as ‘presentation quality was really high’ and because they ‘liked hearing the participant’s stories’. Similarly, Tom, a non-Japanese employee in his late 20s, described the moderator, Uchida, as ‘really terrible’, but stressed how he overall ‘liked’ the day because he could meet other teams. Even though the event was dedicated to what people saw as *kakugo*-as-religion, this didn’t mean that they couldn’t use the format to entertain each other and to share what they wanted to share even if it diverged from the frontstage ideal.

It is, then, reflections such as these regarding *kakugo*-as-promise which show how strict functional models of company culture can fall short of capturing the subversive tendencies that ‘culture-making’ elicits: tendencies which, in many ways, counter the founder’s aims of creating a ‘monolithic’ and cohesive organisation. It further appears characteristic how frontstage ‘compliance’, be it in the company’s digital, formal frontstage or in frontstage events (value lunch, employee induction, company anniversary), does not mean ‘real’ belief.

Instead of open confrontation, in the frame of the company anniversary in particular it was striking how people made such occasions partially ‘their own’ and did not go along with a focus on dedication to the company. People adapted the concept in subtle ways rather than revolt openly. Rather than posit a strict ‘moral’ frame through an ethics of *kakugo* (Branch Creed), the comments of employees suggest that to allow for connection and cohesion a focus on ‘traditional’ communal activities such as sports, the sharing of food or drinks, trips, etc. might have sufficed.

For the founder’s critics, *kakugo*-as-promise legitimised in meritocratic fashion the founder and other managers’ hierarchic position. *kakugo*-as-religion was the background they perceived instead of *kakugo*-as-promise. The attribution of ‘religious’ supremacy to

those in elevated positions of ‘secular’ power appears here comparable to monarchic structures. For example, the Japanese *Tennō*’s (lit. emperor of god) claim to power is God-given and relates to the royal family’s divine ancestry. Similar intermingling of ‘god’s grace’ and secular power appears characteristic of the Holy Roman Emperor or the *Tianzi* (Son of Heaven), the Chinese Emperor (Vogelsang 2020). Rather than power that is inherited, as in the case of the *Tennō*, mastery in the Branch Creed guidelines was framed as what set some apart from others in meritocratic fashion. The founder and other high-ranking employees deserved their positions not only due to their knowledge and *sukiru* but also as they excelled in *kakugo*-as-promise. As in the case of ‘God-given’ grace, such claims could neither be proven nor disproven.

In such remarks, as well as in the context of increasing one’s *kakugo* (changing one’s *maindosetto*), it was always the economic background that remained obscure, so obscure in fact that Tom, a non-Japanese employee, remarked ironically: ‘Wada thinks everyone should work like he does, but he forgets that not everyone owns 30% of the company.’ The role of this economic background for people’s joining and resignation in the context of *kakugo*-as-promise is the subject of the next section.

#### 6.4 *Ōnashippu* and Socio-Economic Critiques

As outlined in the previous sections, efforts to promote *kakugo*-as-promise, the value of company loyalty and the positive effects such loyalty could have, elicited frequent critique. This critique invoked the founder and his management colleagues’ ‘excessive’ attention to such matters and how ‘unifying’ concepts infringed upon the sphere of the ‘religious’.

Another reason for such critique appeared to be a mismatch in expectations. People entered the *mura* partly due to the narrative of *hanayaka* freedom explained in Chapter Three.

In this section I first outline how *ōnashippu* relates to start-up recruitment in particular. *Ōnashippu* opportunities are what differentiates start-ups from large corporates. Although people differ in their ability to take advantage of various temptations due to different social and human capital, the notion assumes importance for almost everyone interviewed. I then comment on how *ōnashippu* appears as a form of alternative payment intertwined with economic growth. Without economic growth, *ōnashippu* opportunities appear ‘lost’. Employees who resigned were often not interested in committing long term as the salary structures and stock option schemes they encountered failed to reward longer term engagement. While these sections are devised as commentaries upon Branch in particular, the arguments made are based on data from different *mura* start-ups. They in this sense also reflect upon the *mura* broadly.

### The Importance of *Ōnashippu*

Of all 39 interviewees asked in semi-structured interviews, only one interviewee indicated that he joined a start-up for reasons that did not include *ōnashippu*, the joy of creating or doing (as outlined in Chapter Three). The notion was similarly present in the everyday of fieldwork on both the frontstage and backstage. *Ōnashippu* was what malleable structure allowed for, something people couldn’t have in large corporates. The wish for ‘safety’ or some form of stable community was rather secondary in these narratives. Loyalty and dedication appear, then, as notions fitting large corporates that still reward continuous employment through continuous salary increases. Accordingly, the loss of *ōnashippu* was invoked to explain why one resigned and switched to other companies

The prominence of *ōnashippu* also relates in particular to start-up recruitment, which promises *ōnashippu* on the frontstage, be it in marketing videos, interviews, or slogans. Only start-ups, due to their malleable structure, could offer employees a wide range of experiences, something large corporates cannot, as Kubo, who had worked in three different start-ups, reminisced. Start-ups communicated this message with the same *hanayaka*, youthful, and ‘cool’ language that appeared to characterize *iketerukan* (as outlined in the Chapter Four): it was about ‘building a cool company rather than joining a cool company’ (*kakkoi kaisha ni hairu yori kakkoi kaisha wo tuskuru*). Rather than only *shakai kadai kaiketsu*, the socially beneficial aspect of their actions — which large corporates stress as well (McCreery and Yamaki 2014, Rohlen 1974, Graham 2003) — *ōnashippu* was how start-ups could differentiate themselves.

In such backstage narratives, *ōnashippu* appears to figure as a form of alternative payment that start-ups can offer in exchange for comparably low and stagnant salaries as well as lower job security than in larger companies. Faltering growth, a lack of economic *seichō*, is usually what affects personal *ōnashippu* opportunities and erodes commitment to the near future that particular start-ups wish to build; it makes people aware of the compromises they have accepted, and eager to explore the various temptations of ‘what if’ to eventually change jobs.

Not everyone, though, can be equally ‘opportunistic’ and take advantage of such temptations. After all, the social and human capital of people varies. Also, in the *mura* there were those closer to being socioeconomic ‘winners’ (*kachigumi*) and those closer to ‘losers’ (*makegumi*), the stratification trends Japanese sociologist Yamada Masahiro (2004) described in reference to neoliberal reform (cf. Chapter Three).

The classic ‘winner’ in the case of *ōnashippu* as a form of *hanayaka* freedom would be the actor who appears as a fully independent agent, who can easily ‘jump’ ship and follow

their temptations, to pursue other *ōnashippu* opportunities to their heart's content. The *ōnashippu* 'loser' is someone dependent on their current job who, once they lose *ōnashippu*, is forced to remain within their start-up (although they want to leave), becomes unemployed, or is otherwise worse off than before in terms of economic security. These terms should mainly be understood as typological socioeconomic denominations. During my fieldwork, as so often the categories of 'winners' or 'losers' appeared less clearly defined from my perspective, and people never defined themselves as 'losers'.

Overall, in the start-ups I worked at there seemed to be many who were closer to the category of independent *ōnashippu* seekers rather than those who were dependent on their current jobs. In the case of Branch, for example, I interviewed 12 people who had left the company. All of them had secured employment within a year of their resignation, and the majority (9 of 12) had already secured their next job offer when they resigned. In the case of Twig, which appeared to crumble due to internal strife, similarly all four employees and the COO who resigned had secured employment or built their own start-ups within a month or immediately after their resignation. The CTO had instead left Japan to travel for an extended period of time.

In Branch, *ōnashippu* as a *hanayaka* ideal was similarly prominent and resurfaced, for example, in the start-up's recruitment process. What had greatly motivated Kubo to join the company was how the CFO doubted his abilities, while stressing the *ōnashippu opportunity* available to him. This made him eager 'to prove him wrong':

He talked about how amazing he was, but how the track record I had was not. [...] I wanted to prove him wrong; this lit a fire in me. [...] He said without [Kubo] there will be no business expansion.

Conversely, *ōnashippu* was invoked in situations when structural changes led to project shutdowns and people leaving. The company's CFO, for example, explained the

resignations of roughly 30 employees following an internal ‘reshuffling’ process and ‘golden handshake’ offers with reference to ‘interesting’ projects:

People tend to accept a job offer [in the first place] because they think their project is interesting [...] in total we shut down ten plus projects, we asked around 30 people, everyone got a better job with better salary from our perspective [...] We didn’t fire anyone, it’s natural [turnover] [...] it’s a, ‘if you’d like to stay for different projects you can stay’ [situation].

In the context of such ‘restructuring’ in particular, the subtlety and grey areas between *ōnashippu* ‘losers’ and ‘winners’ became apparent. Rather than invoke choice or *ōnashippu*-related opportunity, employees usually knew why they were being approached and that they had not much choice but to resign, as Tom, a non-Japanese employee whose employment options in Japan were limited, remarked:

It was simply: ‘sorry, we have no work for you, what you were working on will be axed, take the money and go somewhere else’ [...] [the package] was better than what I had ever expected.

Although statements of employees such as Tom, whose projects were closed down, appear to fall short of the independent *ōnashippu* searching agents the CFO invoked, they were also not ‘losers’ per se. The ‘packages’ the start-up’s management offered them gave them the flexibility to look for other opportunities. In some cases, employees continued to receive salaries for an additional six months after they had quit their work. Their old managers and the company’s executives also supported them by introducing new potential workplaces to them. Accordingly, such meetings were also recounted as ‘polite’ and conciliatory, stressing ‘we are sorry we have to let you go’. People lamented what had happened but they didn’t seem bitter or hopeless.

Despite such various forms of support, there were still some who appeared to ‘lose’ out after they left their jobs. One example was Iwasaki, a former secretary at Branch, who had not worked for several years at all before joining the start-up due to depression. The ‘reshuffling’ caught him by surprise, but he accepted the offer instead of remaining at

Branch. When I talked to him, he had not yet found a job roughly 2 months after his departure, but later began working as a regular employee in another late stage start-up. Although he had lost his position within Branch (and was unemployed at the time of interview), he stressed how his time in the start-up, the *ōnashippu* he could exert, had helped him grow personally: ‘I became much stronger’ (*chikara ha sōto tsuita kana*). Branch had allowed him to work in an environment where he could work ‘frantically’ (*gamushara ni*) together with ‘highly qualified’ colleagues such as the CFO, a former managing director of a large multinational organisation.

Comparably ‘unopportunistic’ was Hiro’s experience. Hiro had worked at Branch for just four months, having come to Japan to accept the start-up’s job offer. After the ‘reshuffling’, quite unlike the ideal of the independent *ōnashippu* seeker, he only found regular employment ten months after his contract had ended. When I talked to him halfway into his job search, he however stressed that he had ‘no regrets’. He received much help from his former manager, who talked with him on an almost weekly basis and introduced him to various companies. The ten months of job search were not wasted time, but he used them to study Japanese intensively.

*Ōnashippu* appears in such instances (as also outlined in Chapter Three in the context of ‘flexibilization’) not only as a particular attitude towards work but also as an element of one’s discursive identity. It figures as something which defines how one frames past decisions in relation to one’s current self. Difficulties are simply things to master, a chance to ‘grow’ independent of what social structures one can access with certainty going forward. What such statements similarly appear to reflect is a sense of thankfulness for the *ōnashippu* opportunity received, which echoes the *mura*’s appeal as an alternative to ‘established’ options.

Such notions of gratitude and personal growth, regardless of the eventual outcome, were in contrast to the reflections of employees who stressed they had ‘sacrificed’ something to work in start-ups, who had previously earned more money or worked in more prestigious companies. The statements of these ‘winners’ appeared haunted by such sacrifice. They were aware of what they had given up, and had the credentials that allowed them to easily ‘jump ship’. This seemed to inform how they actively engaged in continuous evaluation focused on tempting *ōnashippu* opportunities, on whether their current commitment was ‘still worth it’.

One example of this is Sugimoto, who considered resigning from Branch three times. Sugimoto appeared as an articulate and resolute female employee in her mid-thirties. She had first worked in a multinational IT company as an engineer, and joined Branch because she wanted to create something. When she joined, salaries were low: joining while ‘aiming for money’ (*kane meate*) didn’t make sense, she reminisced. After her start-up stint, she returned to a large management consulting company. The first time she pondered resigning related to an M&A offer which could have caused a potential loss of *supīdo*, and thus negatively influenced her *ōnashippu* opportunity:

In 2017, there was a buyout offer from [a large Japanese corporate]. That time we didn’t have a free version of the mobile app. Taking the buyout offer was wrong [...] I said to the founder: ‘I will quit if you are going to do a buyout!’ [...] It’s good when money comes in, but [the buyer’s] app engineers are also going to get involved. [...] When *supīdo* slows down, that’s annoying (*mendokusai*). ‘I haven’t created (*tsukutta*) anything yet!’, I thought.

This was followed by a period of ‘fun’ characterised by *ōnashippu* and product creation. Then a change in the company’s strategic focus caused her to ponder resigning for a second time:

After that, to increase downloads for the app, we developed DNA testing kits; collecting installs [with that] was fun (*tanoshī*), it was the largest revenue factor in our yearly revenue [...] I am glad (*yokatta*) I could build an entry point for revenue, [but] then a management decision was made to automate the diet coach function of

the app, [...] I realised the direction [of the company had changed] and began to think about quitting; that was in 2017 [...] the app's uniqueness disappeared [...] it became a wishy-washy app [...] [I asked myself] why is this kind of content being shown?

The third time, when Sugimoto actually quit, she thought she had lost her *ōnashippu* opportunity, while she was also dissatisfied with Branch's 'lack of focus'. While 'fun' or 'meaningful' aspects had decreased, her salary was 'still low':

The third time I felt, 'this is kinda boring' (*tsumaranai*) [...] Instead of [the business project they assigned me] I wanted to continue to develop products [...] there was no reason for me to be in Branch [...] the salary was still low, there was no move to consolidate the business, [it was] 'we want to do this and that'.

Others put this in simpler terms, but seemed to suggest a similar evaluation process contrasting their current opportunity with the background of temptations accessible to them. Matsuo, a former researcher in his mid-30s who founded his own start-up after working for several years as a department head (*buchō*) in Branch, moved on because his personal deadline had been exceeded and the company's *seichō* did not add up, which also influenced his working conditions: 'My precondition (*daizentei*) was maximum five years'. Similarly, Ōnishi, a department head in his 40s who changed jobs to join a large multinational manufacturer as a specialist, started his job search a year before he actually resigned, as his insight indicated to him that the company 'will fail' as its economic 'situation was deteriorating'.

The prominence of *ōnashippu* is then notable in these different statements, regardless of whether people appear closer to the category of an *ōnashippu* 'loser' or 'winner'. This partly seems related to the identity-sustaining aspects of *ōnashippu* as a way of 'framing' life in pro-active ways, even in the case of misfortune, when *ōnashippu* doesn't work out. The loss of *ōnashippu*, due to lacking 'growth' can become what drives the resignations of people, in particular when they feel they have 'sacrificed' something for it, a sentiment present in those who appear closer to the 'winner' category. While this also relates to the

importance of *ōnashippu* as an ideal, it further seems informed by a lack of socio-economic structures that would otherwise support or encourage long-term start-up commitment, as I will outline in the next section.

### Salaries and Economic Ownership

While it is outside the scope of this thesis to analyse all aspects that inspired people to resign, of particular relevance here is how ‘low’ salaries frequently resurfaced in both the reflections of *ōnashippu* opportunity ‘winners’ and ‘losers’ who chose to resign and go elsewhere. This relates to broader structural issues of cash-burning *mura* start-ups which, due to their loss-making activities, are often limited in the amount of salary and the salary increases they can offer to employees. Although start-ups might raise more and more outside funding, as in Branch’s case, the employee count can increase as well, advertising costs might increase, and so on. As long as profit remains low, average salaries can then only increase marginally. This figures as another reason for the criticisms articulated regarding *kakugo*-as-promise. Limitations in salaries are socio-economic hurdles for motivational efforts aimed at encouraging long-term dedication.

Some of the data regarding such limits to salaries appears to reflect trends present in other countries as well. In the case of Denmark, Burton et al. (2018), for example, show that employees of small start-ups earn at least 5% less at the time of hiring than their observationally-equivalent peers. Nyström and Elvung (2014) find an average wage penalty of 2.9% in the case of Sweden for employees joining new firms during the period 1998–2008. On the other hand, Kim (2018) finds that in the US, MIT graduates joining start-ups earn roughly 10% more on average than their peers joining established firms. In Tokyo, the tendencies interlocutors indicated appear closer to the former two cases. In the case of the

*mura*, what functions then as alternative payment are interesting *ōnashippu* opportunities (as advertised during recruitment) rather than socio-economic incentives that encourage long-term dedication.

A good example of the link between salary and *ōnashippu* was the statement of an engineer, Fujimoto, who had spent more than five years in Branch and quit to establish his own start-up:

To say it simply, there were no more things I wanted to do (*yaritai koto*) [...] the projects I wanted to pursue were abandoned and also, despite me always pointing it out, my salary stayed low. Although my salary was comparably low, as I could pursue what I wanted to pursue (*yaritai koto*), I could continue investing (*tōshi dekita*) my time.

Such salary-related complaints usually invoked a lack of salary progression in particular. For example, Misako, a product manager in the growth start-up Franklin, had worked in the company for more than four years and left as her salary did not increase even after she tried to negotiate. She eventually quit after being told ‘Misako gets more than all others.’ For her, such averages didn’t matter, as her salary ‘should be based on performance.’ Sakurai, a software engineer who had first worked as a regular employee in a large telecommunications company, joined Twig because he wanted to ‘build’ in an unhindered fashion. After a brief stint in the early-stage start-up, he changed jobs again and joined a large publicly-traded IT venture following fruitless salary negotiations. When he negotiated with Twig’s CTO, he had already secured a job offer with higher salary, but he was surprised by the executive’s unwillingness (or inability) to offer him better employment conditions, which led to a dispute.

Such complaints appear related to a generally limited salary range characteristic of the *mura* start-ups I encountered (Fig. 13) and Branch in particular. According to Sugimoto, Branch employees earned between 3,000,000-6,500,000 JPY per year in 2015. The founder and the CTO earned 4,000,000 JPY/year at that time. The best paid engineers earned around

6,500,000 JPY/year, more than the company executives. The company's founder indicated that, overall, the company's average salary increased from 3,500,000 JPY/year to 5,000,000 JPY/year between 2014 and 2019. However, these were not equal increases across the board. As the company grew, it increased its efforts to recruit outside talent, which often resulted in great differences in salary. In 2019, the salary of department heads and the executive office had reached around 8,000,000-10,000,000 JPY/year, which Sugimoto interpreted as a part of 'retention' (*hikitome*) efforts. The company paid late-joiners and key employees higher salaries to recruit them, while there was no need to entice early members in similar ways. This often caused discomfort among long-term employees who were aware of such discrepancies. Fujimoto, who had stayed with Branch for more than 5 years, perceived this as unfair:

It's tough (*tsurai*) [...] one compares [oneself] with other people and wants to feel 'it makes sense' (*nattokukan*) [...] I think the company was unable to live up to that (*mitasenakatta*).

Increasing his salary was almost impossible, he recalled, even with a perfect employee evaluation score, an evaluation which was based on *kakugo*-as-promise and the Branch Creed:

What really angered me (*sugoi hara tatta*) was the [employee] evaluation: although my evaluation was really good, my salary did not really increase, [and] this really did not make sense to me (*nattokukan sugoi nakatta*).

Others such as Hirano, a marketing employee who had also been with Branch for several years and left the company to join an early stage start-up, echoed a similar sentiment:

There were so many employees; rather than taking in so many employees, it would have been better to increase the salary of current employees [...]

A similarly limited pay range also appeared characteristic of other *mura* start-ups (Fig. 13). Phoenix, Twig, and Franklin's salaries had an upper limit of 6,000,000-7,200,000 JPY/year. At Medic and Phoenix, experienced employees had to accept pay cuts once they joined the

start-up. The same was the case at Branch in 2015, as employees reminisced. Salaries and salary ranges, on the other hand, appear to increase once the start-up goes public ('Moneycontrol' in Fig. 13). As in Branch's case, the best paid Twig employees (such as the start-up's lead engineer) were better paid than the executives. Such compressed salary ranges were not simply aspects of a 'classless' culture, but people explained that, due to the demands of investors as well as the practical constraints of 'cash-burning' businesses, founders and executives couldn't receive high salaries as long as their companies were losing money.

Startup Name	Employee JPY/Year	Executives JPY/Year	Stage	Founding Year	Founder Age (when founded)	Experienced Employees
Branch (2015)	30-65	40	Early	2012	27	Less pay
Branch (2019)	30-100	-	Growth	2012	27	-
Twig	30-70	42-60	Early	2015	22	-
Franklin	32-40	72	Growth	2011	23	-
Medic	66 (average)	-	Early	2016	30	2/3 of original salary
Phoenix	54 (average)	60	Early	2019	25	Less than original salary
Moneycontrol	45-90 (majority)	120+	IPO	2012	22	-

Figure 13. Gross yearly salary ranges (in 100,000 JPY) of regular employees (without bonus) in mura start-ups.

Despite the complaints of employees, the salaries they received were not low in comparison. The average Japanese monthly salary in 2018, of both regular and non-regular workers who worked continuously throughout the year in organisations with tax withholding obligations, for example, was around 367,200 JPY (average yearly salary of 4,407,000 JPY) (National Tax Agency 2019). The average monthly salary of only regular workers in the same survey (ibid.) was 419,583 JPY (5,035,000 JPY per annum). Internet sites that address new graduates similarly point out how, in 2017, start-ups offered higher monthly entrance salaries (FastGrow 2017) on average (265,855 JPY) than 80% of publicly-traded large

corporates (207,450 JPY). What mainly frustrated people (who had survived on their salaries for years) instead appeared to be the lack of salary growth despite continuous effort and success, which created a mismatch between what one got and the language of individual agency, meritocracy, and *ōnashippu* that characterised the *mura*.

### Equity Options as Bets

In addition to salaries, another structural factor of relevance related to ‘economic’ ownership, meaning the way in which Branch’s equity was distributed. As already indicated at the end of section 6.2, the uneven distribution of economic ownership, how ‘not everyone owns 30% of the company’ appeared, for employees such as Tom, in contrast to demands for dedication. Socio-economic matters rarely figured in *kakugo*-as-promise, as the concept did not address why people might commit to Branch, but rather focused on what they could obtain by committing (*sukiru*, hierarchical superiority, company growth, enjoyable working experience, etc.). *kakugo*-as-promise was framed as motivated by expectation rather than structural differences.

In *mura* start-ups, like Silicon Valley start-ups (Lebret 2017), regular employees received *hypothetical* ownership in the form of equity options contracts (so-called sell-to-cover options, mostly less than 1% of the total company). Such contracts entitle employees to small ‘virtual’ portions of the overall company. They are, though, conditional and encourage continuous employment. After several years (usually 3–4 years) of ‘vesting’ (preceded by a ‘cliff’ of one year, during which options holders are not yet entitled to anything), people who hold such options obtain the right to purchase an increasing amount

of company shares at a fixed price in the event of the start-up's listing on a stock market<sup>21</sup>. After a 'listing', such shares can be bought at this pre-fixed price and potentially sold at a (usually) higher price. In the *mura* start-ups studied, options contracts of employees were in contrast to the 'actual' shares that founders<sup>22</sup>, executives, and investors held, which they could sell before a stock market listing and also (depending on the share class) gave them voting rights within the company (e.g. regarding company leadership).

Equity options can be seen as a form of promise. They are promissory notes which are socially embedded, as climate forecasts (Taddei 2013) might be. They, like all types of forecasting, planning, or divination, depend on the 'felicity conditions' (Zeitlyn 2020: 503) that make them believable. In their reflections on sell-to-cover equity options contracts, people were mainly critical and sceptical. As in the case of *kakugo*-as-promise, the potentially 'binding' power of promises that Arendt (1998) invokes appears absent. Rather than capturing the start-up's future imagined community, how oneself with others might overcome collective hardships until the moment of IPO, people perceived equity options as bets. For most interviewees, equity options did not signal actual start-up ownership, getting 'one's fair share' as a member of a community of people who struggled collectively towards a future common goal. Rather, people rationally evaluated their start-up's growth potential and the probability of 'payoff'. Such probability was low, and so the perceived value of equity-options contracts was accordingly low.

This was visible in comments such as Kubo's, who criticised the low 'risk/reward' of equity options, which for him also related to company valuations. In the USA, start-up

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<sup>21</sup> Options holders might also have the right to sell in the event of a company acquisition, depending on the options contract. However, large acquisitions that would make a sell-to-cover option valuable were rare in the *mura*, as interlocutors indicated.

<sup>22</sup> Founder teams in Silicon Valley and elsewhere are often subject to 'founder vesting' (Kaplan and Strömberg 2004) to encourage commitment in founding teams. This was, though, not the case in Branch, Twig, and other *mura* start-ups with only one founder.

valuations were much higher; Japanese start-ups, on the other hand, were less likely to grow to a unicorn level or become subjects of billion-dollar acquisitions, as he saw it. Kikuchi, a nutritionist in her early 30s who had joined Branch early on, stayed for almost five years, and then quit, remarked that her salary was low and that she had received more stock options in exchange. In the end, though, she ‘didn’t give much thought’ (*kinishinakattandane*) to such options when she changed jobs, as she wasn’t sure about the company’s growth prospects. A similar thought process was invoked by Matsuda, who as an intern in her early 20s had already worked at Twig and two other start-ups: she ‘didn’t really want to get equity’ (*betsu ni morawanakute iina*) as she didn’t ‘know whether the company will go public or not’.

This scepticism was also reflected in the stance of founders, who evaluated the usefulness of equity options in terms of ‘incentive’ and their relation to probability. Wada, Branch’s founder, remarked that in his opinion equity options only motivated the upper echelon of department heads and higher (who usually received more share options), while ‘the others don’t really understand it.’ Similarly, other founders such as Kudo, who had just founded his start-up, remarked that he only perceived equity options as useful when the company entered the 3-year phase of IPO preparation. Otherwise, it was unlikely that options could actually motivate people. Kanda, another early-stage founder, argued that for him it was about whether people ‘got motivated or not’ (*yaruki ni naruka naranai ka*). In particular in the early start-up phase, he didn’t really see the use of options contracts.

What for the founder in Branch’s case appears as a lack of ‘understanding’ might well be related to a lack of ‘interest’, which in itself seems to reflect the negative risk/reward evaluations people applied. Why try to understand something that was probably worthless? Why, if both founders and employees were sceptical of equity options, though, did such contracts play a role at all? One reason appears to relate to recruitment and salary

negotiations before one joins a start-up. Equity options were something that could be offered to make up for lower salaries. Even if their value was ‘fictional’ rather than present and ‘real’, they symbolised some form of ‘what if’, in the same manner as a lottery ticket might tempt people. One couldn’t use them to retain employees, nor did employees mention them as reasons for joining, but they might well have been part of the overall package that enticed people to join.

*Ōnashippu* was then a notion of importance both for economic ‘winners’ and ‘losers’. It figured as something to be thankful for and appeared to be part of people’s discursive selves. Further, it was also a form of alternative payment which one obtained in exchange for joining a start-up. Because one had *ōnashippu* opportunities, staying in a start-up made sense, though both compensation and job security might be lower. At Branch’s later stage the lack of economic growth could limit such *ōnashippu* as start-up teams lost the opportunity to ‘experiment’ and instead had to focus on improving ‘existing’ products. Without *ōnashippu* opportunities, people often resigned. *Mura* start-ups such as Branch often lacked socioeconomic structural incentives that encouraged dedication besides *ōnashippu* opportunities. Lower salaries and a lack of salary progression caused anger and frustration. Although people were awarded equity-options contracts, such options were also not perceived as ‘real’ economic ownership but rather as probabilistic bets.

## 6.5 Founder Resignation and Voice

The importance of *ōnashippu* opportunities (and their loss), the lack of salary progression, and internal equity distributions, then, were factors that people invoked to explain their

resignations and which related to criticisms regarding *kakugo*-as-promise. They were similarly relevant in the context of the founder's resignation. The founder resigned near the end of the calendar year, following missed revenue goals and mounting criticism regarding his 'unwillingness' to compromise and accept a more 'prudent' path forward. At this point in time, he owned less than 50% of the company, which allowed other shareholders to vote him out.

Also independent of his resignation, people often invoked the difficulties they had in communicating with the founder, which appear interlinked with Wada's claim to defining the near future, as the start-up's *bijon* was similarly part of his own life story (as outlined at the beginning of this chapter). This also links Branch's case with Twig, and how its founder Higashino's life story was intertwined with Twig's *bijon*. Higashino's practices of frontstage control and singular authorship were similarly aimed at controlling discourse — what can emerge on the frontstage and 'weaken' the start-up's *bijon* — rather than compromising and engaging (cf. Chapter Five).

I will first outline how 'who can define the future?' and 'who owns the company?' became interlinked and presented as functional in similar ways, independent of stage context. Then I outline how people criticised such functional concepts in the informal backstage, as they led to organisational problems and a lack of mutual understanding. The last section of this part is an epilogue which recounts the occurrences after Wada's resignation. At Branch, 'bottom-up' changes appeared to allow for 'mutual understanding' through open discourse. In Wada's new organisation, 'mutual understanding' appeared similarly absent. Here again inner conflicts led to strife and resignations and some lamented the absence of 'mutual understanding'. However, those who sided with Wada stressed the importance of visionary 'passion', which necessitates singular authorship.

## Equity Ownership and Defining the Future

One functional explanation frequently invoked to justify one-sided equity ownership was that spreading company ownership ‘all over the place’ (*barabara*) was not good. This related to concerns over what might happen if people quit and sold their shares to outside investors who founders didn’t wish to give additional influence to. (As outlined in Chapter Four, the relationship between founders and investors was often one of distant scepticism rather than pure trust).

A related reason is how founders of cash-burning start-ups sell start-up equity to outside investors to raise capital. The more start-up shares a founder sells to other people, the more they increase and thus ‘dilute’ the share pool, the fewer they have left, the less control they have over their start-up (in particular below certain thresholds, e.g. 50%, 33%) and the less they profit once the start-up goes public. ‘Conserving’ one’s equity is, then, partly a selfish act, but also linked to a founder’s ability to direct ‘their’ start-up and the oftentimes continuous dependence of start-ups on outside investment. However, such arguments ignore the contractual and thus adaptable nature of equity ownership. Supervoting stock (Lee 2016), for example, could solve such ‘problems’ while distributing ownership more broadly as such stock carries superior voting rights (e.g. 30x – 10,000x as many votes as ordinary stock). Owning less shares, then doesn’t automatically entail a loss of control.

Independent of the potential for contractual adaption, of interest here is how the loss of equity becomes in such perspectives a problem for possibility itself, as the founder increasingly loses control. This perspective is focused on the founder as an exceptional individual dictating the near future, and their share pool in a sense figures as a measure for possibility. Equity ownership predetermines a point in the not-so-distant future when

possibility and the ability to pursue a *bijon* becomes increasingly limited (should the start-up have continuous need for outside investment). From a perspective focused on the founder as a ‘visionary’ who ‘tells dreams’, the diversification of start-up ownership is then risky and would mean the end of innovation.

Economic ownership and the *bijon* become, in this context, further interlinked with the immediacy of *supīdo* and efficiency, with a founder’s ability to direct a start-up from ‘top-down’ to realise an innovative *bijon*. Although control from the top was problematic as it stifled discussion, one should avoid an organisation with ‘too many decision makers’ similar to ‘bad Japanese large corporates, where management just stops’, as Matsuo, a department head, remarked. This focus on limiting ‘unnecessary’ conversation also links economic ownership with *kakugo-as-promise*. Notions such as not appearing as a ‘cancer’, avoiding ‘disharmony’ (*fuwa*), seeming ‘disciplined’ and committed to the *bijon*, or engaging in correct Branch Creed practice, did not entail a sense of equalitarian discussion but were rather focused on quick and efficient execution and meandering. People should commit and execute, but not discuss or change what was decided. Accordingly, employees articulated their frustration regarding the time expended on *kakugo-as-promise* rather than ‘open’ company or product strategy discussion.

### Lack of Voice and Organisational Problems

This combination of a lack of economic ownership interlinked with a lack of ‘voice’, and notions of *kakugo-as-promise* that valued execution and practice rather than discussion, seemed reflected in episodes of communicative breakdown. Wada, accordingly, became characterised as intimidating and ‘scary’ (*kowai*), someone with whom one couldn’t argue on equal terms. Branch was a ‘real hierarchy’ (*tateshakai*) where the founder decided and

‘everything moves downward’ (*oritekuru*), recalled Arai, an intern in his early 20s. This made ‘bringing things from the bottom to the top’ almost impossible, and created ‘huge bottlenecks’. The way such hierarchy could cause consternation was visible in situations where the founder critiqued the work of employees in an agitated tone, stressing they should ‘think about the customer’ (*okyakusan wo kangaete*), rhetorically asking them: ‘do you think that will make the customer happy (*okyakusan ha sore de yorokobu to omou*)?’ These were situations where the projects people worked on ‘all night’ (*tetsuya*) were immediately ‘turned on their head’ (*hikkurikaesu*).

Iwasaki, a secretary, described his anger when he was on the receiving end of such exchanges. Iwasaki usually talked in a calm and systematic way. When he recounted the following episode, however, his voice at times seemed to crumble due to the anger he felt:

From time to time, before everyone comes to work at 9 AM or so, the founder says to me: ‘Iwasaki, do you have a moment? Please call these three people from the legal department’. [...] Then I ask: ‘What type of meeting is it?’ He answers: ‘Why do I have to tell you such things (*Nande omae ni sou iu koto oshieru hitsuyō ga aru*)?’ I got really angry when he said that (*mechakucha mukattoshite*) but could only reply: ‘Aah, I’ll get them’ (*aah yondekimasunode*).

While Iwasaki expected further explanation, Wada wanted to get something ‘done’ instead of explaining or debating. Not wanting to cause conflict or disrespect meant Iwasaki remained silent. Such silence to avoid open disagreement or conflict with the founder was also what seemed to motivate two department heads to record meetings with Wada to avoid being blamed for doing the ‘wrong’ thing. For them, what the founder said was ‘changing too much — all the time’ (*korokoro kawarisugichau*), despite existing agreements made in previous meetings.

## Founder Resignation and Lack of Compromise

This lack of communication resurfaced again once the founder resigned after Branch had missed its revenue goal targets, while it was also lacking in profitability and had difficulties retaining users. In particular, in the aftermath of his resignation different perspectives towards the future appeared visible, as well as the inability of executives to agree on a common path forward.

For the founder, his resignation was the result of ‘timing’ (*jikanjiku*) which didn’t match the ‘height of the goals set’ (*mokuyhō settei no takasa*), making things ‘misaligned’ (*zureru*) between him and his executive colleagues due to differences in ‘*supīdo*’. After all, he explained:

Aiming to build a 10-Billion USD company in ten years will look like this [his finger paints a U shape growth graph], this is different from building a 1-billion USD company in five years [paints a linear growth graph].

In Wada’s version of the future, the current shortcomings were not the end of possibility. KPIs did not decide the future nor the present state of possibility, they were just one additional hurdle to be overcome, one u-shaped dent in a future of enormous revenue growth.

The opinions of those disagreeing with the founder’s view appeared best summarised by the CFO’s comments, stressing the shared responsibility people had for resources and the company as a whole. The funds raised from investors were not Wada’s, it was not ‘his money, not our money, it’s everyone’s money’. The company had to show that it could become ‘profitable’ as only then ‘people trust us and we can raise more money’. The company’s board of investors had indicated this, the CFO explained, leading to a vote which resulted in the founder’s resignation.

Such views stress the shared responsibility for funds and the start-up as a whole, which becomes reflected in measurement and outweighs the appeal that further pursuing the

founder's version of possibility had. The start-up had become large, it now involved many stakeholders (customers, employees, investors, etc.), and it could not simply follow the near future plan of a singular author which prioritised the realisation of a utopia over the present audit risks and concerns of others. The founder's management style was 'focused on the *bijon*' (*bijon shujitsu*), meaning the company was like a 'galloping horse' and it was fine if 'people fall down from there', as Matsuo, a department head, remarked. The perspective the CFO stressed was more 'like a carriage' (*basha*), more about 'protecting the people who are in that carriage'. As in Twig, both positions appeared entrenched in different ethical stances, unable to compromise: one revolved around the realisation of a utopian, good *shakai kadai kaiketsu* future, the other around present, KPI-informed responsibility for the collective.

These differences in perspective led to conflicts within the executive layer that were difficult to overcome, as Ōnishi, a department head closely involved with the proceedings of the founder's resignation, pointed out. Other executives 'pressured' the founder to change his business plan. This he didn't do, resulting in his resignation. Overall, the founder's 'issue awareness (*kadai ishiki*) was too one-sided', and the lack of compromising and discussion within the company meant that 'there was no one who could fix what the founder did not understand'. This meant that the 'gap' (*gyappu*) between the founder's perspective and what other employees thought 'became far too large' (*amari ni mo ōkisugita*).

These different stances also seemed to inform the ambiguity with which employees such as Kubo recounted the founder's formal frontstage resignation itself during the company's end-of-year party (*bōnenkai*). What had started as an informal frontstage company celebration soon became formal and serious once Wada demanded that everyone should stop and sit down with him on the floor of Branch's large assembly hall. Kubo, who was in the hall, commented: 'It was not [Wada's] choice to leave, but his explanation was "he is stepping down"'. That meant the event was 'awkward', 'what [the founder] was

saying and doing was separate'. Although he stressed that he might still be around, in fact the founder was not allowed to be in the company 'at all'. People 'were happy, but they didn't verbally say they were happy'; there was a mismatch between 'what they were saying and what they were feeling'. The event was a reflection of the 'ugly part of being human'; it would have been better if people 'actually felt bad and said they felt bad'.

Considering the critiques, problems, and conflicts surrounding the founder and his resignation, the functional justifications of one-sided equity ownership to allow for swift and efficient execution of one person's *bijon* appear then in doubt. Rather than a loss of visionary ability, an increase in 'voices', as in the case of workforce diversity (Jackson et al. 1995), can after all have a positive effect on creative processes. What appears likely (as Twig's employees argued in Chapter Five) is that, with increased size and increasingly diversified equity ownership, the 'communication work' a founder and other executives have to engage in, the convincing and compromising to win the approval of others, increases, and that such 'communication work' was missing in Branch. While early on a form of strict singular authorship focused on cohesion and discipline might have functioned, at the start-up's later stage this was no longer the case. Changes in internal communication 'culture' within Branch following Wada's departure, as well as similar problems surrounding 'communication work' in Wada's next project, will be outlined in the following section.

## Epilogue

Before I conclude, it is relevant to describe two later developments which reflect upon the lack of communication within Branch. Firstly, this concerns Branch itself. Following Wada's resignation, the company's frontstage communication culture appeared to change. Wada's resignation further functioned as a form of blaming (cf. the case of Twig in Chapter

Five) which restored ‘hope’ and a ‘positive’ atmosphere. As in Twig, others didn’t necessarily share such opinions. Some also followed Wada, as without ‘passion’ and ‘visionary’ ability innovation was difficult, they argued. Secondly, similar communication-related issues concerning ‘compromising’ led to the disintegration of Wada’s new project and team. Rather than resign himself, Wada, who was the main shareholder of his new project, remained in the VCF while all other executives and more than half of his employees left. This appears to be another indication of the important role equity ownership plays in empowering one person’s ‘claim to the future’ and the conflicts such a claim can provoke. Similarly, Higashino of Twig still owned most of his start-up, which led to him remaining in the start-up while most of his executive team members and employees left.

After Wada’s resignation, Branch’s new CEO (the former CTO) implemented a ‘bottom-up’ culture and increased communication between hierarchical layers, as Kubo recalled. He held one-on-one meetings with every single employee, and personally presented the company’s KPIs in weekly meetings. During such meetings, he communicated the company’s shortcomings and successes in detail. Services that did not make money were closed down or changed, independent of the company’s *bijon*.

From Kubo’s perspective, increased delegation from the executive layer to middle management and increased dialogue between hierarchic levels sped up decision making processes: ‘it felt as if the tiers of the company were reduced’, Kubo commented. For him, this new ‘open’ style of communication, instead of the founder’s insistence on possibility, elicited trust:

[Before] it was, ‘we are going to get through this, it will be fine’, now it’s, ‘hey guys, we are in a kinda tight space, we need to get our shit together’; this creates reliability and trust.

Together with the founder, many others resigned. This improved the company atmosphere. The remaining members brought ‘a lot of positive attitude’, as Kubo reminisced. In his opinion, it was wrong to blame the founder for everything that went wrong: executives, managers, employees — everyone had been involved in Branch. What was happening, in his opinion, was ‘scapegoating’ informed by the founder’s ‘one-man-leadership’ style. All in all, though, the symbolism of blame assertion helped executives ‘flip around everyone’s motivation’ in a positive way, he concluded. These changes and assigning blame ‘projected a message of hope’, although such developments did not solve the economic problems the company faced (lack of revenue, product/market fit, etc.).

The effect of such strategic blaming might be best explained by the intern Arai’s estimate provided after the founder’s resignation. According to Arai, those who ‘fully believed’ (*shinjikitteiru*) in the founder’s near future *bijon* were less than 5%, while 13% might have joined the company because they were attracted by the founder or the other executives’ determination (*kakugo*), e.g. ‘I’ll follow this person’ (*kono hito ni tsuiteiku*). The rest were attracted by career opportunities, salaries, and other factors. Independent of the accuracy of Arai’s estimate, such numbers appear representative of the importance of *ōnashippu* (as previously outlined), as well as the ‘distant’ attitude many had taken towards Wada. This made it possible symbolically to blame him for the company’s economic woes to motivate employees.

After his resignation, Wada created a large VCF with the support of other VCs. The fund’s investment focus was ‘well-being’, improving the lives of others in alignment with *shakai kadai kaiketsu* and his lifework *bijon*. In his new fund’s *misshon* statement, Wada invoked the lost decades (see Chapter Three), how people were talking about the ‘lost thirty years’

and how it was the will to ‘challenge’ which was lost in particular. One had to tackle ‘boredom, anxiety, and loneliness’ (*taikutsu, fuan, kodoku*).

This new possibility tempted several Branch employees, and around ten people joined the new fund. In the perspective of his many critics, the founder and ‘his’ message (his business plan, his *bijon*, his goals) were misaligned with the economic ‘reality’. The background they perceived, informed by the backstage talk people exchanged, and the KPIs they saw failed to match the frontstage narratives portrayed. Such misalignment was in a sense something that ‘emerged’, that became particularly visible once the socio-economic and structural conditions of the start-up (salary, economic ownership, KPIs) failed to align with dominant discursive practices.

But being ‘misaligned’ (*kurutteru*), portraying difference from what other people or the ‘mainstream’ say or believe, was also part of the *mura*’s appeal as an alternative to such a mainstream. In a sense, for the sceptical outsider start-ups were misaligned with ‘concrete’ realities (what appears stable, predictable, and reliant) from the outset. This misalignment was, though, a virtue in the *mura*: in the most uncertain start-up stages, the ability to embark on something radically ‘different’ was a form of *hanayaka* freedom.

Accordingly, those who followed Wada appeared continuously convinced by the founder’s abilities. They were concerned about how the founder’s resignation would result in a loss of ‘passion’, the affective and performative way in which the founder transmitted possibility. Hirano, who joined the new fund, stressed how ‘everyone had been tagged along’ by the founder’s ‘feelings’ (*omoi*). He had ‘strong doubts’ (*sugoi fuan*) regarding the *bijon* of the remaining executives. Similarly, Takeda, an engineer who remained at Branch, recalled thinking, ‘isn’t this really bad?’ when he witnessed the founder’s resignation. Many had been ‘attracted by his passion’; he had the ‘power to pull people in’ (*kyūin-ryoku*).

In early 2021, at the time I am writing these lines, Wada's new VCF had imploded in a manner reminiscent of what happened at both Twig and Branch. The occurrences became extensively documented in digital media due to the involvement of well-known business people and entertainment personalities. After disputed audit irregularities and disputed accusations of power harassment, more than half of the roughly 30 fund employees resigned together with all other fund directors, leaving only Wada (the majority shareholder) and around 10 employees. The fund's main investors were reported to have withdrawn their capital investment, and the fund's future appears uncertain.

One of the fund's directors explained that he had decided to resign due to corporate 'governance' issues reminiscent of the communicative breakdowns in Branch. After retiring as the CEO of a multinational corporate in Japan, he had considered various options but eventually joined Wada's fund as he felt a sense of responsibility regarding Japan's lost decades. During his time in the fund, he had experienced several occasions where Wada tried to 'push his opinion through' (*iken wo oshitōsoto suru*). He didn't understand why Wada didn't openly 'share' information regarding the use of financial funds. Management necessitated 'restraining oneself' (*mi wo hikishimete*) to reach compromises with one's management partners, and this was something Wada did not want to do. For the fund director, a discussion regarding corporate governance in start-ups was long in the making, although he had been surprised that it occurred under his watch.

Wada and the remaining employees strongly rebutted such claims, and instead invoked internal power play, resulting in a 'coup d'état'. In reaction to the accusations, Wada stressed how 'governance' was a term 'opportunistically' (*tsugo yoku*) invoked by influential people, the 'so-called adults' (*iwayuru otona no hito*). Confronted with such critiques, he had seen many entrepreneurs who gave up. He was not someone who deviated from morals or ethics, but after all they 'were a start-up'. Although the occurrences were

devastating for him, his purpose, his *kakugo* would lift him up again; it meant that ‘no matter what, no matter how many times I fall, I will always stand tall again’, he concluded.

## 6.6 Conclusion

This chapter provided a detailed analysis of the ideological conflicts and the loss of trust, that the misalignment of economic incentive structures with company-wide discourse can produce. Such misalignment seemed to emerge as the start-up grew rapidly. I have outlined how Branch was characterised by expansive growth over several years, which was reflected in diminishing emotional ‘intimacy’. A growing employee count, continuous turnover, hierarchical structures, and a large ‘anonymising’ office were some of the factors that related to the reduction of ‘intimacy’ and cohesion which, for the founder, were the prerequisite for success, as a ‘monolithic’ organisation was a strong organisation. Partly to preserve cohesion amidst growth, to ban the spectre of team decay only visible in the backstage (strategic employee retention efforts, Wada’s tearful appeals directed towards key employees who wanted to leave), Wada and others in the management, such as the department heads Takagi, Otsuka, and Oda, promoted notions of *kakugo-as-promise*.

*Kakugo-as-promise* meant the promise that, amidst uncertainty, the ‘best’ one could do to ‘grow’ as a person, as well as a collective overall, was committing to the start-up’s possibility, its founder’s *bijon* and its goals. *Kakugo-as-promise* was present throughout various frontstage contexts. It was a part of the employee induction, the most frequently used digital Slack ‘channels’, the employee evaluation and the company’s anniversary celebration. Within such frontstage contexts, managers and employees acted as animators of the promise, wrote Branch Creed texts or gave *maindoso* presentations which figured

as animatory responses. These were performances that ‘confirmed’ the founder’s *kakugo*-as-promise claims by engaging in introspection or *hansei* with reference to the concept. While past outcomes had been ‘wrong,’ by committing — by exerting the Branch Creed — the future would be better, so people were expected to argue (although they often appropriated the schema).

The way *kakugo*-as-promise was promoted continuously, and in reference to what defined ‘good’ behaviour, elicited critique in informal backstage settings. People perceived the notion in its unidimensional focus on practice without debate as religious rather than promissory. While a promise demanded social accountability from the ones making the promise, *kakugo*-as-promise seemed religious. It ‘obscured’ such accountability and instead focused on individual agency, on correct practice as a key factor for good outcomes which appeared reminiscent of the practical orientation of Japanese religions or *genze riyaku* (Reader and Tanabe 1998). Rather than doubt the ‘truth’ of the claims underlying such practices, the implication was that failure was of one’s own making.

The focus on such claims was in stark contrast to the socio-economic aspects which often emerged in critiques. For employees, independent of whether their social and human capital made them ‘winners’ or ‘losers’, *ōnashippu* was of great importance. *Ōnashippu* was what made start-ups different from working in large corporates or SMEs, it was what informed the construction of discursive selves, and appeared intertwined with economic growth, which gave people the chance to build ‘new’ things. Without *ōnashippu*, and with growth failure seeming likely, Branch’s salaries appeared low and stagnant.

While the salaries of executives were similarly low, large differences persisted in terms of share ownership or economic ownership. Economic ownership in Branch, like other start-ups, was concentrated in the founder’s hands, which related in many ways to the start-up orthodoxies of continuous fundraising and corporate governance. To raise funds for their

start-up, a founder usually increases the share pool and ‘dilutes’ their shares which reduces the decision-making power they have. This, though, created a strange contrast for employees faced with *kakugo* demands despite their lack of economic ownership. Sell-to-cover equity options contracts offered to employees were, for them, probability bets, and not ‘real’ ownership.

This concentration of ownership appeared interlinked with a limiting of mutual communication, a lack of ‘coming together’ between hierarchical layers and also within the executive team. This was visible in conflicts surrounding *kakugo*-as-promise (value lunches, company anniversary), in the founder’s forced resignation, and in the disintegration of his new VCF. Wada’s ability to project a *bijon* (as in Twig’s case or the pitch) appears enticing as a form of ‘passion’, as some who followed Branch’s founder commented. While elsewhere ‘governance’, well-mannered and logical exchanges, were the norm, for some in the *mura* and in Branch such logic and compromising, reminiscent of the consensus-driven decisions in large corporates (*nemawashi*, etc.), was out of place as compromising wouldn’t produce something ‘new’.

The negative reactions of the founder’s critics were, on the other hand, partly reminiscent of what Graham (2003, 2005) has already shown, namely how people’s willingness to engage and comply with the management’s ‘culture’ decreases once a company begins to falter. Spectres and malleable structure add an ‘emergent’ dimension to such observations. From an outsider’s perspective, spectres are in a sense always present as nothing has (yet) been built and all future outcomes appear uncertain. They are a part of ‘the start-up’ — an organisation that functions outside of established pathways, something inherent in the utopian aims of the *mura*, the wish to show that although one might appear ‘crazy’, in the end ‘one was right’. For those inside the start-up, though, spectres become negotiated through the partial acceptance of fictional expectations. Spectres then emerge in

particular in times of economic stress, when the future rewards, the *ōnashippu* opportunities people expect, appear to crumble, when possibility collides with failure to meet KPI goals.

For those who remained convinced of the founder's 'passion', failure to meet economic goals, though, was less problematic or differently defined. It didn't affect their conviction that they would eventually be successful, as regardless of failure, they could get back up and 'stand tall'. This position appears to imply a time frame that merges the near future with a distant future horizon of eventual 'deliverance', where repeated failure becomes meaningless and all energy exerted is rewarded. Those who became increasingly critical of the founder instead seemed to plan in the limited timeframes of the near future. They oriented themselves using KPIs and expected more immediate rewards.

Related to this temporal aspect is the question of economic structures, which similarly unfold throughout time in ways that can make an actor's frontstage practices appear 'aligned' or 'misaligned' with a particular background. It appears doubtful whether, within a continuously growing start-up, 'culture' can be something made believable as a promise through a background created by charismatic performances of founders, events, or MVVs (mission, vision, value) alone. A 'culture' of discussion as a 'culture' of *seichō* or *kakugo* doesn't seem to mean much without its socioeconomic equivalents, such as salary growth or actual economic ownership.

This also echoes earlier critiques (Dore 1973) regarding literature that stresses the purely cultural elements of Japanese corporate structures, rather than their interlinkage with economic structures that co-create and sustain such cultures. In the case of Branch, the emic ideal of strong social ties characteristic of the *ba* (Brinton 2010) appears present while further enriched by social science and 'rebranded' through a focus on individual meritocratic application. This version of the *ba*, though, is estranged from its antecedents. It figures as a

largely discursive demand, stripped of the incentive mechanisms that reward loyalty or commitment in large corporates.

‘Why promote any company culture at all without appropriate socio-economic structures?’, one might ask. One answer to this relates to how what is ‘appropriate’ differs between various people. From the perspective of the founder and other management members, the links promoted between *kakugo*-as-promise and hierarchical meritocracy justified economic ownership distributions in their favour. Branch’s case might then also figure as an example of how the act of creating and performing a ‘culture’ or cosmology in itself is an aspect of power, independent of whether people ‘believe’ in it (Graeber 2015: 232). Power in such contexts doesn’t necessarily come from belief, as people in complex societies move effortlessly between different and often incongruent ontological realms without ‘believing’ in them. They are, though, well aware of what behaviour is expected, which manners are to be followed.

In Graeber’s (2015) observations, some cosmologies are enforced in a more playful ‘as if’ manner, while others become the drivers of brutal confrontation. This might relate to competing claims that threaten one or the other cosmology (e.g. science against religion). By expanding this stance towards the threat of the temporal, the various spectres that haunted start-ups, the gap between present and future was not only a ‘problem’ for the organisation, for cohesion, motivation, etc. but also an emotionally stressful and hurtful threat to the authority of those in power. This (in addition to a potential lack of awareness) might be one explanation for the repeated enforcement of *kakugo*-as-promise from the top management layer, despite the widespread criticism of employees.

## Chapter 7: Conclusion

In the chapters of this thesis, I have traced how discursive notions, collective representations, and performative norms appear to influence what people do to appear trustworthy across organisational divides in Tokyo's start-up ecosystem, the *mura* (village). My main interest underlying this analysis was in particular how some of the broader socio-economic conflicts and norms apparent in *mura* events and the frontstage discourses of people become reflected in seed stage fundraising processes (the 'making' of founders), as well as early stage and growth stage start-up environments. I have paid particular attention to the different modes people employ to engage with the future, and how this seems interlinked with malleable structure, the distribution of socio-economic forms of capital, hierarchies of value and influence, as well as the roles people perform and the actions they perceive as trustworthy.

This inquiry was driven by one main research question: "What kind of ideologies, trust-building mechanisms, and strategies do VCs, founders, and employees in Tokyo use to associate with each other in situations of structural uncertainty associated with newness and fast growth?" Furthermore, the thesis fulfilled four research objectives (as outlined in the 'Introduction'). The following is a summary of the main arguments of the thesis. Subsequent sections expand the argument and draw analytic conclusions.

In frontstage narratives, people in the *mura* portray themselves in opposition to the 'mainstream' ideal captured in the employment models of large Japanese corporates, which promote long-term employment and loyalty through incentive structures. Amidst neoliberal reform and the focus on meritocratic struggle, the low economic growth of Japan's lost decades appears for some interlinked with the large corporate. The start-up is the counter to such old and shrinking models; it appears as a vehicle of malleable structure that due to the possibilities its actors pursue might improve society (*shakai kadai kaiketsu*). It provides an

alternative not only due to its promise of rapid growth, but also due to its carnivalesque (Bakhtin 1984) elements which appear to invert the ‘old-fashioned’ value hierarchies of bureaucratic ‘corporatism’: instead of long-term employment — rapid growth; instead of loyalty-rewarding seniority wage — youth, meritocracy, and *ōnashippu*; instead of consensual decision making — *supīdo* by submitting to the authority of visionary founders; instead of stable, conservative structures — building the future out of a state of uncertainty.

Within the *mura* the *hanayaka* seems equally present in the youth of the actors that seed VCs aim to attract. By partially commercialising the *hanayaka*, entrepreneurship becomes advertised as cool or *iketeru*. There is something ‘festive’ and ‘fun’ about the get-togethers of those interested in start-ups. Rather than ‘formal’ or ‘intellectual’, start-ups should appear ‘entertaining’. Similarly, the particular near futures (Guyer 2007) founders imagine, the pitch performances they deliver, were for some seed VCs expressions of affective richness, capturing ‘craziness’, the ‘out-of-bounds’ possibilities that appear removed from the dry language and models of probability — which can only evaluate the future using past conditions, ‘what one already knows’. The seed fundraising process, though, also figures as the first decisive ‘intrusion’ of probability, which is based on the norms of established audit cultures, into *hanayaka* possibility. The language of probability, like the fundraising process in itself, becomes a force that ‘limits’ possibility, that evaluates and selects what can eventually emerge from the ‘virtual’ as the ‘real’.

Founders accordingly eye VCs with suspicion. While they might feel thankful to the first investor who sides with them, who seems to sympathise with possibility regardless of the uncertainty of the seed stage, continuous fundraising is a chore and VCs not necessarily trustworthy. Quite differently, VCs stress their sympathy for the possibilities founders aim to realise and how they are motivated by the prospect of empowering founders. They see themselves as actors of ‘financial solidarity’ who have the duty to ensure proper resource

usage for ‘good’ purposes. Structural differences, how financial and social capital were differently divided, appear to underlie such differences in mutual perception. This allowed VCs to sympathise with possibility while practising probability. For founders, though, this meant VCs only ‘talked’ while founders and their teams ‘did’. Through ‘talk’ they could exert ‘selection power’, which was perceived as negative dependency rather than mutual care.

The threatening aspect of ‘talk’ appears to extend beyond selection alone, and relates more generally to the efforts founders have to exert to ‘conserve’ and project their *hanayaka bijon* of the near future. *Supīdo* becomes here at times interlinked with the founder’s ability to do so. Rather than bureaucratic efficiency, which is always interlinked with KPIs and their achievement and which necessitates auditing transparency, *supīdo* doesn’t require such transparency as it relies on following the authority or *bijon* of the founder. This can then result in efficiency (as, for example, in military operations), but it follows the presupposition that this can be achieved by submitting and interpreting someone else’s concept (‘what’s in their head’) rather than the generation of mutual awareness or understanding.

Relaying what one imagines can be achieved through pitch performances which employ affective, argumentative, visual, and calculative means. Talk outside of the pitch is threatening as it brings new information about competitors. People can use talk to gossip, and talk thus invokes various ‘what ifs’ (de Abreu 2013), ‘haunting spectres’ (Zeitlyn 2020) which threaten to elicit doubt regarding the realizability of one’s pitch and the fictional expectations underlying it. On the other hand, talk can become tempting for employees who are not ‘bound’ to the start-up like founders. Twitter feeds, Facebook posts, and online articles contain a world of virtual ‘what ifs’, of potentially better chances just waiting ‘out there’. For founders and executives, who appear largely as the dominant frontstage actors in the start-ups I observed, such factors invoke two interrelated spectres: the spectre of growth

failure, the inability to achieve KPI goals, the measurement goals of audit cultures before corporate money ‘runs out’, and the spectre of team decay, the loss of team cohesion and ‘key’ employees.

In both the early stage start-up, Twig, and the growth stage start-up, Branch, the ‘talk’ that can emerge on the frontstage appeared tightly controlled. In Twig this was achieved through the founder’s *hanayaka* acts of formal ‘boundary transgression’, which invoke joking relations in a hierarchical fashion, blurring the line between familiarity and front formality. As in the case of fundraising and probability, such *hanayaka* control to ‘conserve’ a pitch on the frontstage to achieve *supīdo* is in conflict with increased bureaucratic measurement, the KPIs that indicate the start-up’s progress. KPIs can be invoked to advance an ethos of transparency which appears in contrast to such discursive control. KPIs further allow and necessitate the estimation of a fundraising date. This estimation is the result of a ‘projection’ using ‘correct’ data regarding the capital available and the monthly ‘burn-rate’, the costs a start-up incurs. While projections are never perfect, an ethos of transparency demands that people do everything they can to enable transparent data collection.

This rule became violated in Twig due to the failure to accurately account for money on the start-up’s corporate accounts. For the COO this reflected negatively upon the founder’s ‘governance’ ability. Invoking an ethos of transparency and accountability, the COO, who was in charge of introducing KPIs in the start-up, tried to promote the disclosure of the accounting mistakes to employees and shareholders. In contrast, the founder insisted on ‘carrying on’, on ‘conserving’ a positive image on the frontstage. Such differences in the top layer became communicated to other employees and resulted in internal factions.

Increased growth pressure seemed to motivate a focus on efficiency and a reduction of ‘inclusivity’, of communal events during which people might have the chance to overcome internal differences. Such events were simply not efficient enough. The team’s

inability to ‘come together’ (*yorsiou*) eventually resulted in roughly half of all employees, and two of three executives (the CTO and COO), resigning. Those who stayed in the company stressed how they remained due to the founder’s eventual act of ‘disclosure’, his admittance of faults which restored their trust. For them, the COO invoked transparency in a hypocritical manner. He disclosed information strategically and to his advantage. He was perceived as the driving force behind the forced resignation of two employees who were partly in charge of accounting. This assertion of blame and the ‘violent’ and sudden expulsion it justified were perceived unfair by those siding with the founder. In a comparable manner, they criticised how the COO and others then blamed the founder for the accounting mistakes and ensuing mishaps. Those who left, on the other hand, perceived the founder’s unwillingness to disclose accounting mistakes as unfathomable and unfit for a ‘proper’ business culture. Twig had lost the trust of its investors and would be unable to continue, they argued. Roughly two to three years after these occurrences, Twig continued to exist, and had reached profitability, although its team remained small. As success set in, the founder’s tendencies to control discourse seemed to partially reassert themselves, but employees stressed that they would be careful not to let things ‘get out of hand’ again.

People perceived a lack of ‘coming together’ at the core of Twig’s problems. This also extends into Branch’s context, which was characterised by the spectre of team decay. Branch underwent rapid growth, which meant frequent employee turnover, continuous employee-count growth, and increased hierarchical and physical distance due to a larger office. This decreased ‘intimacy’ and the number of familiar faces one knew and trusted, as employees remarked.

The founder, external directors, and several department heads appeared involved in efforts to promote cohesion and dedication as aspects of a ‘strong’ and ‘monolithic’ organisation. Frequent employee turnover and the increase of ‘unknown’ faces, though,

meant that such cohesion was unstable and in doubt. Partly in reaction to such doubts, the importance of *kakugo* became frequently invoked in the company's digital workspace, its anniversary event, during employee evaluation, during value lunches, etc. *Kakugo* in 'official' parlance meant following the founder's *bijon* and the start-up's goals. Doing so allowed employees and the collective to 'grow'. The positive effects of dedication appeared interlinked with the notion as a promise, that by 'giving it one's all' and following 'correct' practices (the Branch Creed) one could eventually realise the start-up's *bijon* and overcome all hurdles and challenges. Employees and managers usually figured as animators of such *kakugo*-as-promise claims.

Such promotion efforts were predominantly seen critically, as 'excessive', 'imposed' and 'religious'. The 'religious' was usually invoked as a critique (*kakugo*-as-religion) that appeared related to how *kakugo*-as-promise posits individual agency, 'correct' behaviour and thought, as a key factor for the realisation of the promise rather than its socially embedded 'felicity conditions' (Austin 1946), the trustworthiness of the promise maker. What emerged in the reflections of employees was how, for them, the socioeconomic conditions underlying *kakugo*-as-promise did not match the demands of the concept. With comparably low salaries, little salary progression and no 'actual' start-up share ownership, the allure of actually committing to Branch was low (a state also representative of most other *mura* start-ups I encountered). Sell-to-cover equity options contracts were, for many people, probabilistic bets rather than something that enticed their loyalty. Once a start-up's economic growth falters, people anticipate how the *ōnashippu* opportunities they valued will disappear, and start looking for other jobs.

Independent of contractual alternatives (e.g. supervoting), for interlocutors, economic ownership distributions were linked to the structural control founders had over defining a start-up's near future *bijon*. Part of the start-up model was continuous selling

(diluting) of start-up shares to raise money from investors. At Branch's later stage, the founder owned only roughly 30% of his company, which resulted in his forced resignation due to differences regarding the company's future. While the founder envisioned continuous growth through continuous spending, despite current shortcomings in KPI goals, other executives surrounding the CFO and investors stressed the responsibility they had for the financial resources obtained and the people employed. What emerges in such moments is a lack of 'coming together', similarly characteristic of Twig. While the founder insists on his *bijon*, or on *kakugo*-as-promise, others invoke KPIs to demonstrate that the founder's *bijon* appears 'misaligned' with 'reality'.

For the founder's critics, the timeframe to achieve near future goals was exceeded. Others who remained convinced of the founder instead seemed to have a more extensive timeframe focused on the distant future of eventual 'deliverance', of success following continuous failure. Around 10 employees followed the founder to his new fund project where similar occurrences and misunderstandings regarding 'governance' — what has to be communicated, whether consensus is a necessity or whether a founder could act and command with *supīdo* — occurred.

## 7.1 Subversive Monarchism and Scientific Anarchism

How can such conflicts, such competing perspective and criticisms, be understood? More broadly they appear to reflect two possible outcomes of the *mura*'s *hanayaka*, anti-bureaucratic tendencies which seem best invoked in how J.R.R. Tolkien once humorously explained his political preferences: philosophical anarchism and 'unconstitutional' monarchism (Colebatch in Drout 2006, cf. Graeber 2015: 183ff). Bureaucracy and audit

cultures appear here as the middle ground between two hierarchical extremes, absolute power and egalitarianism. They figure as a ‘rationalising’ (Weber 2001) balancing power as they generate a set of indicators and norms that can establish ‘equal’ ground for everyone involved. In principle, the transparency of audit cultures opens a path to a shared understanding of what is ‘real’ (although they can simplify reality in biased ways and neglect what is unquantifiable).

One way of ‘overcoming’ audit cultures, or the paperwork and rules of bureaucracies, is then enacting an organisational structure which stresses the sovereignty and responsibility of those ‘in power’. As in Twig’s and Branch’s cases, such structures might become perceived as allowing for trust-dependent, visionary and paternal ‘leadership’, while others invoke their ‘lack’ of voice and ‘control’ over what becomes ‘imposed’. Both these perspectives describe a state of extreme hierarchy due to symbolic reliance on one person’s judgement, benevolence, or decision making in frontstage settings.

While often seen critically, this hierarchical stratification was not simply a problem for interlocutors. Stratification allows for *supīdo* as, instead of long discussion, form-filling, research, or evaluation, the start-up’s ‘top’ can make an ‘immediate’ decision. In the seed and early stages, when things are highly uncertain, one can ‘believe in a person’, rather than argue about an ‘objective’ truth. This appears reflected in seed stage fundraising processes, which can strongly focus on the affective performances of founders-to-be. At times, the affectively transmitted belief in a particular future and in a person’s ability to realise such *bijon* appears to overturn purely rational, probability-based judgements of an idea. Probability-based analysis is limited in its functionality because the data it uses relies on uncertain assumptions. This leads to a breakdown of social theory and calculation which actors negotiate with reference to possibility, the affective performance of ideals and *bijon*.

Within the start-up, when things go wrong, when an uncertain *bijon* of the near future fails to materialise, it is then also the one at the top who can be blamed, who can be framed as the one who is at fault for everyone's personal misfortune. Such blame was often assigned in both Branch and Twig. Not everyone, though, engaged in such blaming, and in backstage settings people were often critical of the gaps between blame and their own involvement, the involvement of investors, managers, executives, etc. in what has gone wrong or of how a start-up's success depends on uncontrollable, outside factors.

Blame can be assigned by making use of KPIs. Changes in KPIs give an indication of whether the start-up's path might be 'right' or 'wrong', whether the frontstage performances of executives and founders align with the background of economic growth or not. The inability to properly account for KPIs (Twig) or to hit KPI targets (Branch), then, leads to mistrust and strife. In the start-ups outlined, it was when KPIs failed to align with KPI goals that people's demands for 'voice' appeared to emerge frequently. When things go wrong, clearly 'visible' for everyone, why should we only follow someone else's judgement, critics appeared to argue.

Accordingly, some of the changes enacted following the internal breakdowns of the quasi-'monarchic' or paternalistic positions of Higashino and Wada appear closer to the other extreme, anarchy in the anarchist's sense — meaning forms of anti-hierarchical, equalitarian decision making. Kubo, following his experience at Twig, for example, established a start-up that revolved around hypothesis evaluation (*kasetsu kenshō*), where everyone could invoke hypothesis evaluation and advance an idea independent of their hierarchic rank. Access to 'voice' then becomes broadened, although hierarchy is not abandoned completely and final decisions are made by the executive team. The 'bottom-up' changes introduced by Branch's new CEO, as well as Higashino's promise to engage in

more equalitarian discussion with his employees going forward, appear to signal comparable intentions.

Such ‘opening’ of discursive space is, though, only quasi-anarchic and in a sense symbolic of how the carnivalesque eventually affirms the ‘established order’ (Bakhtin 1984), as organisational hierarchies as well as bureaucratic requirements are already established and their demands have to be met. On the other hand, the cases of Wada and Higashino also indicate the carnival’s ‘subversive’ potential (Graeber 2007) and the ‘revolutionary’ potential of charismatic roles (Weber 1980: 141). In the end, their embodied claim to singular authorship (my start-up, my *bijon*, my values) didn’t easily ‘fit’ into the ‘established order’.

Independent of the political implications of the term ‘anarchic’, changes in discussion culture appear then as functional, ‘corrective’ increases of egalitarian discussion to achieve KPI targets. These are ‘corrections’ in reaction to the organisational problems and dysfunctions prior ‘monarchic’ structures caused. KPIs figure as instruments for ‘objective’, scientific inquiry within which (in theory) everyone can partake. Eric Ries (2011), in his popular bestseller ‘Lean Startup’, recommends techniques focused on scientifically oriented ‘measure-learn-build’ cycles. Such techniques, partly inspired by Toyota’s lean manufacturing concept, appear equivalent to what interlocutors called ‘hypothesis evaluation’ (*kasetsu kenshō*). They revolve around the testing of different designs and prioritise frequent customer feedback to avoid ‘doctrines and rigid ideology’ (2011: 283).

Ries’ (2011) ‘scientific’ direction and his criticisms regarding ‘just-do-it’ entrepreneurship (*supīdī* execution without evaluation and objective data collection), ‘vanity metrics’ (focus on KPIs which make people feel good rather than improvement), and ‘success theatre’ (the unsustainable marketing and performative efforts made due to the lack

of actual growth) appear partly reflected in the episodes and criticisms of interlocutors which this thesis has summarised. The findings of this thesis suggest that the ‘scientific’ techniques Ries (2011) proposes might work, not simply due to their ‘scientific’ nature but because the objectivity inherent in the ‘scientific’ approach helps open the ‘discursive’ space. Due to his focus on the ‘scientific’, Ries (2011) largely avoids the discussion of structural changes concerning economic ownership and increased employee participation. In the following section, after commenting on the Japanese context more broadly, I focus on the role socio-economic structural changes could play in opening ‘discursive spaces’ both in the context of Japan as well as internationally.

## 7.2 Japan and the High-Growth Startup Model

To explore the question of structural alternatives, raised in the preceding section, a relevant context-dependent question emerges: to what extent is any of this specific to the Japan? While ideas for structural alternatives to the current model appear interesting, the implementation of such changes is by no means the most obvious future outcome in the context of Japan. Further, were changes to be implemented, they would also need to ‘fit’ the local context. I will thus first outline this context and how it relates to what I have documented in this thesis before I discuss three potential future paths which also include structural alternatives.

In the Japanese context, the intertwining of self and business that ‘investing in the person’ implies is prevalent. As Whittaker et al.’s (2009) prior findings suggest, entrepreneurship in Japan is characterised by a lifework approach rather than the project-based approach of UK entrepreneurs. Such lifework focus might be what becomes translated

into a pitch, within which the venture is linked to the founder's life history. In such a manner the start-up and the *bijon* become 'theirs', and 'understanding the *bijon*' is what everyone else involved in the start-up should do, leading to one-sided communication patterns and unequal conditions regarding who has 'voice'.

The appreciation for such an approach is, though, not simply a preference for authoritarian structures, but it seems rather that such authoritarian tendencies are the side-effects of a preference for sustainable, long-lasting dedication which, beginning from the founder, should in organic form spread through the business as a whole. This is reminiscent of older *nihonjinron* ideals of the company as a family (e.g. Vogel 1979), as a *ba* (Brinton 2010) with strong social ties, within which the top hierarchical layer fulfils paternal roles.

Such ideals regarding personal dedication appeared partly present in Twig and Branch, and in how actors across start-ups described founders as those who tell 'dreams' (*yume*). While the founders of both Twig and Branch seemed to enact their visionary role successfully in particular during fundraising, their demands for parental leadership appeared to fail and their organisations were far from 'harmonic' environments.

This state seems related to differences in employee role understanding, as well as in structural economic terms. Employees were often not content with being merely 'interpretative' devices who had to commit themselves to a founder's *bijon* and its realisation. The start-up's discursive narratives and demands for dedication appear of lesser importance than the *ōnashippu* opportunities people perceive, the salaries they get and the equity they receive. Demands for one-sided dedication without active participation and sharing of 'voice' elicited critique. People criticised the absence of socio-economic structures that reward such loyalty and dedication, e.g. regular salary increases, actual start-up share ownership, or a meritocratic payment system. This makes parental or familial representations appear as a spectre of the *ba* of large corporates, stripped of the fundamental

structural elements in which its ‘culture’ (Dore 1973) is embedded. Accordingly, once growth doesn’t add up and the *ōnashippu* opportunities people perceive don’t match their expectations, they follow other temptations and leave the start-up.

If Japan is now in a period of ‘VUCA’ (volatility, uncertainty, complexity, ambiguity), as some interlocutors argued, then the *mura* appears as a good example of such VUCA, as its organisations portray a meeting of the ideals of old corporatist parentalism, new neoliberalist maxims of individual meritocracy, and *hanayaka* anti-bureaucratic tendencies — all in order to realise ‘dreams’. The earlier prognosis of Whittaker et al. (2009) that the Silicon Valley-type start-up would likely not be a good match for the preferences that Japanese entrepreneurs exhibit, their long-term lifework orientation, appears partly affirmed in the previously outlined conflicts between parentalist stances and the lack of corresponding stable socio-economic conditions in start-ups.

Japan’s start-up scene is still in an early experimental state, assuming that the *mura* will continue to develop. As a start-up ecosystem it appears to figure as one instance of Miyazaki and Swedberg’s (2017) ‘economy of hope’, as a place where ‘knowledge’ in the form of past ideals is in the process of being transcended (leading to violent collisions) to go towards the unknown. Going further towards the unknown, the gap between the founder’s visionary parental role and corresponding demands for employee loyalty or dedication will likely continue to elicit warped perspectives and conflict without fitting socio-economic structures rewarding dedication or a different ‘cultural’ approach.

Three outcomes appear plausible in this context: 1) Such gaps simply persist. Conflicts reminiscent of the Weberian (1980) process of charisma routinisation are common and disruptive. The charismatic relates to the founder’s lifework claim as well as parental and visionary role ideals. Such discursive concepts ‘normalise’ practices of frontstage control and top-down communication patterns. Occasional instances of team disintegration,

internal strife, or leadership changes persist due to the lack of compromise between such quasi-charismatic positions focused on one person's subjective judgement and the competing 'ethos' of rational measurement. Measurement seems 'objective' and accessible, which for many necessitates open debate in the case of mishaps (accounting mistakes, missed KPIs, etc.). The outcomes of such conflicts can be internal changes and more egalitarian interaction (although not necessarily greater structural equality), as seen in the case studies of this thesis.

2) The ideal of the *ba*, the lifework ideal, and the company-as-family simply disintegrates or becomes discursively adapted. From the strategic perspective of policy makers and financial elites, structural reforms or adaptations of the start-up model appear unnecessary as the *mura* generates high-growth start-ups and profit successfully. Its inherent 'fragility' or flexibility matches the LDP's focus on neoliberal meritocracy. This would then make the *mura* one instance of 'liquid modernity' (Bauman 2000) in Japan. For the sociologist Bauman (2000), modernity has never ceased and has entered a postmodern state. It is rather that modernity's melting of 'solids [...] whatever persists over time and is negligent of its passage or immune to its flow' (2000: 3) continues to this day. While in the early stages of modernity it was extant institutions (e.g. the church) which experienced change due to modernisation, in recent decades this change has extended into people's intersubjective bonds, the forces 'which interlock individual choices in collective projects and actions' (2000: 6). Following this view, the *ba* and the strong social ties it idealises appear as such a 'solid', which is in the process of 'melting'.

3) Politicians or business elites drive an idiosyncratic 'Japanese' structural adaption of the high growth start-up model, which accounts for older traditional notions of the company-as-family as in the case of post-war corporates. The post-war ideal of large corporates emphasizes stability and loyalty through lifetime employment or seniority wage.

Practices such as cross shareholding or the *keiretsu* structure arguably create(d) stability (and rigid boundaries) beyond one organisation alone. This was what partly informed concepts of the company as a family (e.g. Vogel 1979, Rohlen 1974), and seemed to be intertwined with corporate welfare systems (Uzuhashi 1994) and one of the lowest pay gaps between executives and workers in developed economies (Unite et al. 2008).

Continuing from section 7.1, in the case of the venture-capital-funded start-up, similar regulatory and policy experiments still appear to be absent. One way in which the model might be adapted in ‘familial’ fashion is through changed equity schemes. Employees could be given their own real share ownership or voting rights from the outset. This could, for example, be a 51% for founders/ 49% for employees fund-split, or similar schemes (with the necessary contractual restriction to avoid, e.g. the random distribution of equity to outside parties). Instead of changing equity allocations, one could further introduce new contractual arrangements (e.g. supervoting rights) and in such manner ‘amplify’ the voice and voting power of employees. Such measures could encourage commitment and alleviate communicative breakdowns by giving employees a ‘seat at the table’, and a potentially larger financial upside in the case of both M&A and IPO.

Such changes would also be likely functional beyond the Japanese context. Prior findings in literature on ESOP (employee stock ownership plan) show, for example, how the combination of employee ownership with increased employee participation may have a significantly positive impact on investment return (Freeman 2007) and sales performance (Kramer 2010). Strategically, this could fulfil some of the current government’s aims regarding the establishment of a globally competitive start-up ecosystem (Naikakufu 2019) attractive to international talent. A better equity distribution scheme might well be one way of attracting international talent. This could then make up for lower salaries and lower

average market capitalisation in comparison to other markets, something interlocutors lamented.

### 7.3 Blame, Success, and Organisational Functionality

This section further develops the questions raised regarding structural changes introduced in the previous sections. The argument I lay out is twofold. I firstly question the fairness inherent in the meritocratic, one-sided attribution of blame and success to founders when accounting for uncertainty and broader societal conditions. Secondly, I examine the way scandals surrounding well-known Silicon Valley start-ups seem to reflect the potential for dysfunction one-sided equity distribution has once structural ‘counterweights’ enabling the voices of employees appear absent.

A number of reasons have been invoked to describe why giving voice (or equity) to employees might be problematic, which often relate to *supīdo* as discussion ‘slows’ things down. Active labour unions were similarly invoked as matters that slow down *supīdo*, and accordingly giving full control to the founder was the best way of achieving *supīdo*. Employees themselves at times subscribed to this logic, as they partly approved of the ‘passion’ of founders and their role as ‘dream’ tellers whom they followed. *Supīdo* further describes the experience of immediacy which the lack of bureaucracy allows. Such immediacy makes *ōnashippu* enjoyable, as one can directly do something for the customer or simply entertain oneself through ‘creation’ rather than filling out application forms or negotiating managerial hierarchies. This makes the intertwining of the joy of *ōnashippu*, *supīdo*, economic growth, and the submission to one person’s *bijon* appear ‘good’ and

unavoidable. Such focus on *supīdo*, though, as outlined throughout this thesis, can be destructive, and bears the continuous risk of communicative breakdowns.

These arguments further seem to imply additional assumptions, which people criticise and which appear false in the light of Twig's accounting mistakes or Branch's bottleneck issues. Such assumptions seem to posit that, while founders have a clear understanding of their future *bijon*, employees 'don't get what's important', they aren't the sort of 'visionaries' founders are. Understanding what employees perceive now or how they imagine the future costs energy and time, time which slows down *supīdo* as, in any case, 'they' don't have much to contribute. Instead, they should do 'interpretative labour' (Graeber 2015), do their best to realise and understand the founder's *bijon*.

In this context, the frequently repeated critique that employees don't wish to assume responsibility (which might be followed by blame) appears relevant. One might deduce that this very much reflects socio-economic structures (e.g. equity distributions) which support role definitions that define the founder as the one who can make claims of the future. Following and adhering to someone else's *bijon* is, in this case, not only convenient and role-affirming, but there was also no comparable economic incentive that encouraged people to take on responsibility.

In contrast to the lack of responsibility-related incentives for employees, founders appear as the ones who 'own' the company and shoulder responsibility by making the first step into uncertainty. They articulate, in an original, analytical, and individual manner, a solution to relevant problems. Despite the (actual) limits of their agency, they become the target of blame (and success), and appear to make it easier for others to engage in uncertain causes in such a manner. This uncertainty and risk-related role of founders appears reminiscent of the function of 'misfortune protectors'. In the 3<sup>rd</sup> century, when the Japanese were still known as the Wo or Yamatai people, they embarked on regular boat trips to visit

China. On such trips they would be accompanied by people who figured as ‘misfortune protectors’. If their journey went well without accidents, they would reward the ‘protector’ with slaves and other goods. If, however, they encountered sickness or other misfortune, they would kill him for failing to protect them from misfortune (Vogelsang 2020: 17).

Contemporary Japan is quite different from such historic contexts, and founders appear more actively involved in the development of ventures (recruitment, strategy, resource allocation, etc.) than ‘misfortune protectors’ might have been in the steering of boats. Their hierarchical power further allows them to blame employees. There, nevertheless, appear to be parallels between these two roles, to the extent that blame and success can become unidimensionally attributed to both founders and ‘misfortune protectors’. By doing so, the uncertainty other start-up members (or boat passengers) might perceive appears to be replaced with someone else’s accountability and responsibility. Failure becomes subject to agency and causality, a form of accident (we should have done A not B; picked another founder or another ‘protector’) rather than misfortune (it was fate) (cf. Green 1997).

In the context of start-ups, the question then appears to be to what extent one should reward or punish this step into uncertainty, and whether it makes sense to structurally and symbolically reproduce it in the manner of current models. A number of arguments can be made in favour of a structural model which blames and rewards less unidimensionally. Firstly, the futures that start-ups build are not exclusively ‘invented’ by founders, but rather works of co-creation (customers, employees, business partners, society, etc.). Secondly, no one knows the future. Founders and VCs were themselves aware of this, as the seed stage funding process shows. It is rather the founder’s ‘passion’, their dedication and commitment (*kiai*, *gattsu*, *kakugo*) to the *bijon* they would like to build, which investors tried to identify (in addition to a founder’s intellectual abilities and *sukiru*). Thirdly, this focus on the ‘person’ in the context of recruiting overemphasises the founder’s individual agency in meritocratic

fashion, rather than also accounting for the economic factors which make it necessary for people to work in the first place. As also shown in the previous chapters, people rarely stay in start-ups only because of individual founders. They mostly value *ōnashippu* opportunities while they (also) sympathise with the founder's cause.

While this might, firstly, be read as a social critique questioning imbalances in the attribution of blame and success, this can also read as a functional critique beyond Japan. The outliers of such focus on the founder as an individual 'future-builder' who becomes identified by investors are also visible in two recent scandals surrounding start-ups which have received much media attention. The Silicon Valley start-up Theranos, for example, which specialised in blood test machines, became well known due to its founder Elizabeth Holmes' fraudulent activities (Carreyrou 2018). On the inside, the start-up was characterised by a lack of open discussion, the deliberate division of labour in ways that made it difficult for employees to understand whether the start-up's devices actually worked (which they didn't), and the cool hostility of its founder when challenged internally. Holmes and her business partner, Ramesh Balwani, succeeded by continuously and successfully convincing influential investors (such as the former US Secretary of State, George P. Shultz), and turned Theranos into a unicorn before its eventual implosion after a whistle-blower came forward.

A comparable case is WeWork, the share-office provider start-up founded by Adam Newman. While Newman was not found guilty of fraudulent behaviour, the start-up became the subject of much discussion as its founder eventually stepped down as his promises and the start-up's 40-billion USD valuation did not align with the company's actual prospects of profitability. In articles (Sherman 2019), Newman's 'master salesmanship', his ability to pull in investors, to 'convince anyone' (ibid.), were often contrasted with his dynastic ambitions (that even in 300 years, the company would still be ruled by his descendants) or how he had leased the word 'We' to the company for 6 million USD paid out to himself.

Employees described the company as a ‘cult’, and they joked to each other that they ‘worked like slaves’ (ibid.) when attending meetings organised by Newman on Sundays.

What is particular about such cases is how they are often recounted with a focus on the ‘narcissistic’ or ‘sociopathic’ personality of founders, implying that with the ‘right’ person such things wouldn’t have happened. Much less attention is paid to the fact that many other people were involved in the process of building such start-ups and that, somehow, they were unable to openly articulate what they thought, or their opinions were disregarded. This, though, links such cases to the *mura* and the connections outlined between *supīdo*, *ōnashippu*, who can claim to know the future, and who owns the start-up. Although the equity distributions I previously outlined in the alternative start-up model might appear ‘out of place’ for some, a discussion about who can shape the future and why, as well as the socio-economic conditions that could allow for a more collaborative, balanced, and functional co-creation of such futures, appears necessary.

#### 7.4 Future Directions (and the Future)

What I have argued so far is a rather pragmatic critique that uses the future as a social construct to analyse conflicts and organisational norms in particular. This argument appears to best represent the voices of interlocutors who articulated no wishes regarding systemic changes. To extend the frame further, though, what I have outlined in this thesis also relates to broader questions regarding the extent to which we wish to let what futures can emerge in organisations, and in this sense in society, become regulated through fundraising processes and audit cultures. This is a tension Bourdieu (1983) many years ago already

appears to describe as the relationship between the ‘space of possibilities’ that becomes confined by the ‘space of positions’.

The financial space of positions that determines the start-up’s success and the shaping of malleable structure is characterised by high growth expectations which demand *supīdo* and determine the products and services actors design, the strategies they conceive, and the pitches they deliver. Such high expectations pose great challenges which make the sustaining of concrete versions of the near future challenging. Such challenges fuse with technologically-amplified, virtual ‘what ifs’ (de Abreu 2013), which intrude into the present lives of people as physical stress (Pels 2020), ‘haunting spectres’ (Zeitlyn 2020) and temptations which inspire people to leave their ‘community’ behind and go elsewhere. In addition to the unstable socioeconomic structures of neoliberalism, the technologised, connected world appears here as another factor encouraging ‘flexible’ association and changing notions of belonging that destabilise lasting communities (cf. Bauman 2000) by presenting alternative (but fundamentally similar) futures. Against such destabilising factors, founders and their allies appear to engage in ‘discursive’ control: they make efforts to control what can emerge on the frontstage. Rather than a simple wish for domination, their actions from this perspective also appear as aimed at stabilising or conserving a communal near future framework.

This raises questions about tempo. While start-ups appear as ‘vehicles of authorship’, they are not ‘free’ like the composer creating a piece of music to their liking but rather seem like an orchestra which follows someone else’s instructions. In the case of *mura* start-ups, this is a very fast tempo, one of *supīdo*, which can encourage particular ‘monarchist’ forms of communication and interaction as previously outlined. Going forward, it appears relevant to ask: can adjusting the ‘tempo’ (expectations of growth, fame, success, etc.) influence

which futures can emerge, and in what manner does the tempo influence people's lifeworlds, hierarchical preferences and communication patterns?

Related to 'changing the tempo' is the question of who is suited for particular tempos. In the *supīdī mura*, 'investing in the person' revolves around stamina and dedication-related notions (*kiai*, *gattsu*, *genki*) which founders invoke to express *konfidensu*. The evaluation of who is best suited is in particular at the seed stage, the 'founder-making' stage, an intersubjective process between investor and founder. To what extent are such evaluation processes then influenced by what psychologists call a preference for attitude similarity (e.g. Jiang et al. 2010; Kaplan et al. 2016), how we prefer to associate with people who are similar to us? Which voices are silenced when tempo becomes invoked to value a particular sociological type of performer more than 'others'? How could alternative equity distribution models (such as the one outlined in the previous section) or other structural changes provide alternatives to a venture-capital-financing model that revolves around the relationship of entrepreneur and investor?

Lastly, my fieldwork in the *mura* has yielded various, at times conflicting, perspectives which appear to largely fall into two temporal frameworks. One is the perception of time and its measurement with the modern tools of capitalism (audit, KPIs, accounting) which for actors fixes certain points, dates-as-event in the near future. Depending on what happens, or on what could happen at such dates, people 'time' their decisions, leave start-ups, change the start-up leadership, try to motivate employees, change business strategy, worry, etc. The other is the future of 'meritocratic deliverance', which relates to the start-up's *bijon* (which is often also the founder's *bijon* in a lifeworld manner). This is a perception of time that focuses on deliverance through personal agency in the long run, that 'no matter what, I will get up again' and eventually succeed.

Independent of success in measurement terms, those prioritising the latter view of time continue to associate with the founder or whoever promotes such *bijon* at times even beyond the boundaries of the original organisation. The actor favouring the former stance is more opportunity-seeking, and eventually prioritises quantitatively asserted ‘reality’ or ‘failure’ over intersubjective loyalties. These perspectives, of course, are not entirely opposed, rather they are intertwined, and it might well be that many of those favouring a measurement perspective are also continuously applying notions of meritocratic deliverance within their more limited timeframe (e.g. ‘we can make it if we try until the end of the next year’), or that they had been disappointed ‘too often’ and thus change from a meritocratic deliverance to a measurement focus.

This is reminiscent of Ssorin-Chaikov’s (2017) notion of ‘change’, which describes how change from one temporal framework to another ‘renders a preceding framework untrue completely (e.g. Darwinism in regard to Christianity) or partially (e.g. Marxism splitting Darwinian time into biological and social)’ (2017: 9). Rather than ‘exchange’, which posits equivalency (e.g. 10 USD = 930 JPY), change means that one framework turns into another and that this transformation in some form invalidates the initial framework. Meritocratic deliverance is in this sense ‘older’ than measurement, and essentially phenomenological. It might be traced back to some of the earliest childhood memories people make as toddlers, when they learn to interact with their environment and realise they can make a difference if they try (e.g. grab a glass or scissors).

Measurement, on the other hand, is more of a cultural technique that relies on ‘capitalist time’ and calculation, something people learn during their socialisation in society. From a perspective of change, meritocratic deliverance becomes invalidated early on: once people learn measurement, they can plan using numerical targets and evaluate when they fail at something, i.e. learn to organise their limited time. Instead, perspectives that insist on

meritocratic deliverance make a converse argument: measurement does not invalidate meritocratic deliverance, it only indicates intermittent failure, the future will eventually reward individual agency and effort. Rather than one directional change, the example of the *mura* also appears to suggest that the experiences people have in society, how they become ‘alienated’ from the ‘modern’ world or the ‘mainstream’, can entice them to reject measurement and embrace meritocratic deliverance in a *hanayaka* manner.

To conclude, I have in my work focused on the *mura*, which is characterised by high growth start-ups founded by young, adult-male founders without extensive business experience or academic credentials. This thesis is the first long-term ethnographic study on Tokyo’s start-up ecosystem and one of the first ethnographic cross-organisational exploration of VCs and start-ups throughout different developmental stages.

By positing the start-up as a vehicle of malleable structure, I have brought literature on practice, performativity, economic anthropology, the anthropology of Japan, ethics, and the future, as well as entrepreneurship studies, into dialogue. My analysis has shown the varied perspectives actors in the *mura* assume and how conflicts reflect socio-economic differences as well as relational or personal choices. I have focused on how actors aim to convince others through the performance of affect, economic calculation, social theory, and cultural notions. Such efforts were often perceived ambiguously. They were subject to dispute and critique. Furthermore, my thesis provides an insight into the embeddedness of recruitment strategies, financing mechanisms, start-up policies, salaries, and equity in Tokyo.

Future ethnographic inquiries might explore how interactions between start-ups and venture capital organisations that require higher grades of specialisation (e.g. biotech) differ. Similarly, how founder gender, age or cultural context influence such interactions in particular is of interest. While the concentration of equity in the hand of founders and

investors was largely the norm in the start-ups I interacted with, there might already be start-ups with different equity structures. Understanding more about how different equity structures influence the intersubjective interactions of founders, managers, and employees appears worthy of inquiry. Further, large-scale statistic data regarding start-up salary ranges or equity ownership in Japanese high growth start-ups is largely absent, and more extensive collection of such data might be worth considering.

Explorations of malleable structure beyond start-ups (e.g. emerging religious organisations, NGOs, schools, etc.) might reveal further insights into how people engage with the near future, imagine their lives, what changes they wish for as well as which socio-economic or existential forces constrain the goals they have and the *ōnashippu* opportunities they seek. In such contexts, the tension between individual agency and responsibility when faced with an uncontrollable world and an uncertain future appears similarly of interest. Such explorations could provide us with a distinctive understanding of how policy-making, organisational structures, and the experiences of people interact. As this thesis shows, by accounting for the restraints and uncertainties people face collectively when trying to convince others of their trustworthiness, we can empirically document the limits of individual agency. In this manner we can examine socio-economic structures, dominant discourse and practices, and question the fairness of one-sided attributions of blame and success. Such knowledge should allow for better policy-making, fairer organisational decision-making, and empathic inter-subjective understanding.

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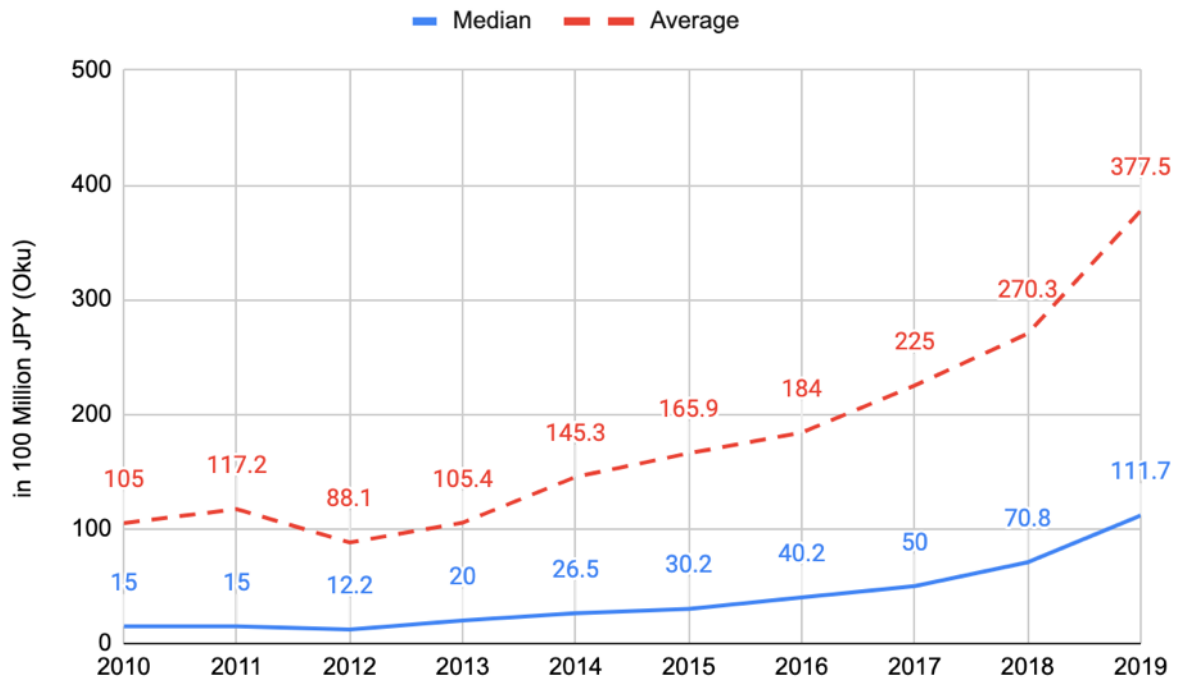
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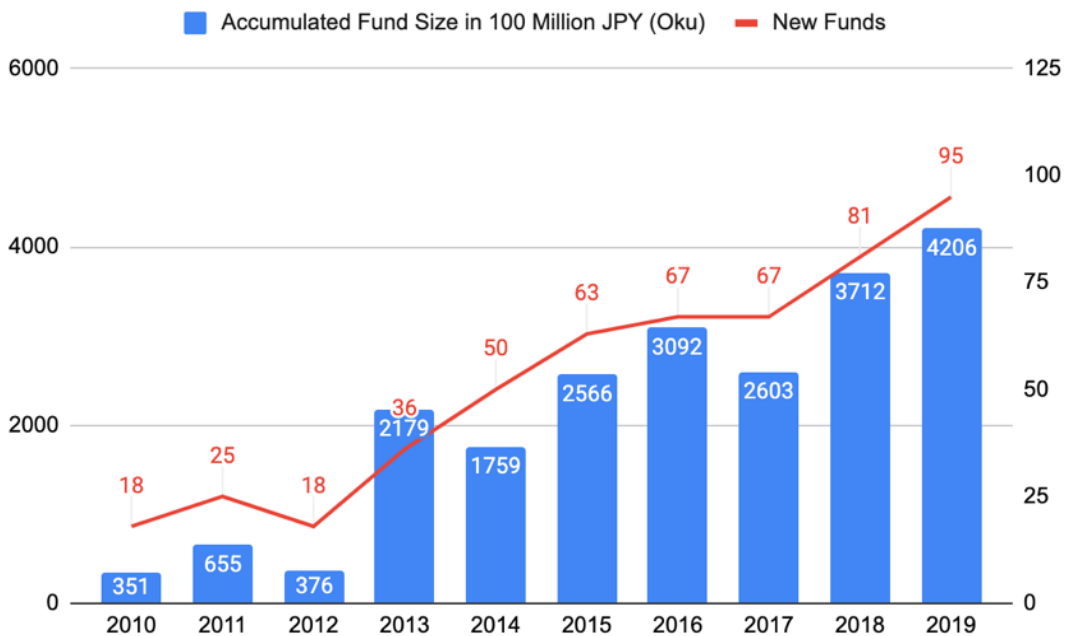
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## Appendix

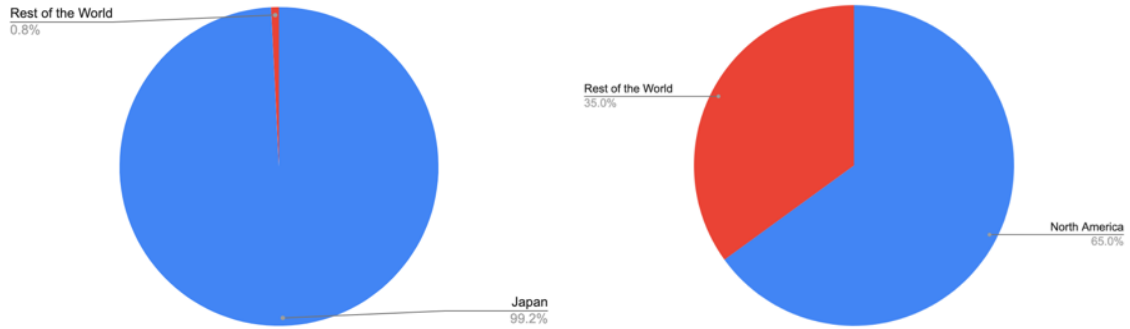
Further economic and financial data points regarding the development of Tokyo's Start-up Ecosystem



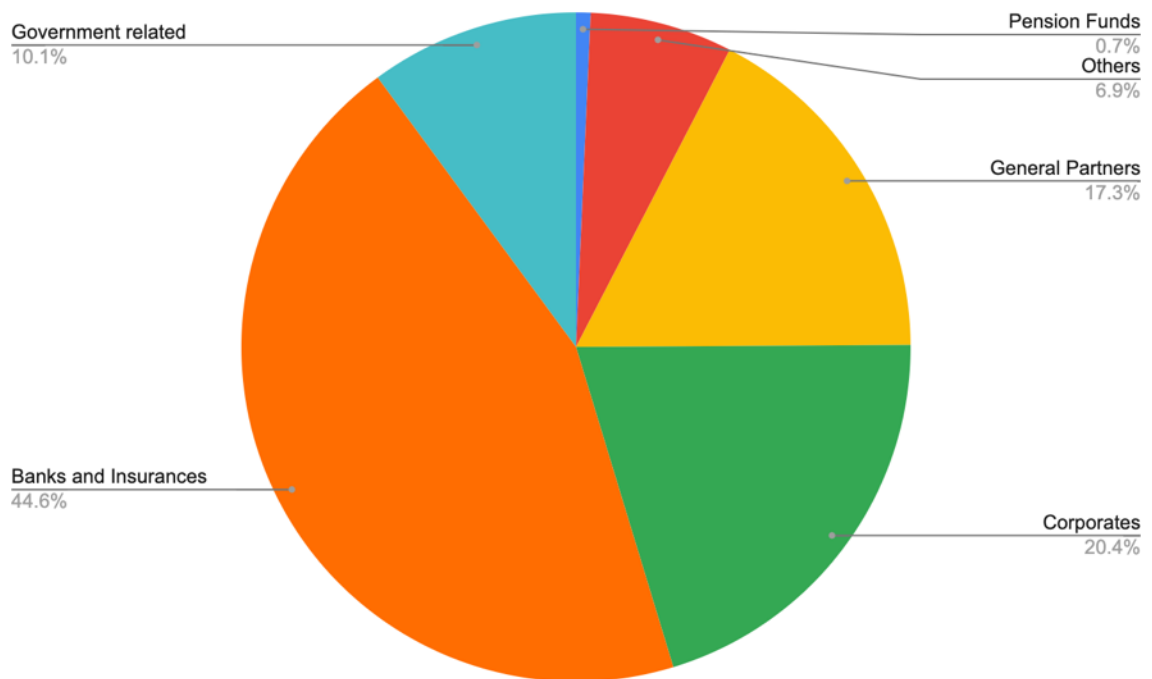
Appx. 1. Average and median amount of money (in 100 million JPY) raised per start-up in Japan. (Initial 2020)



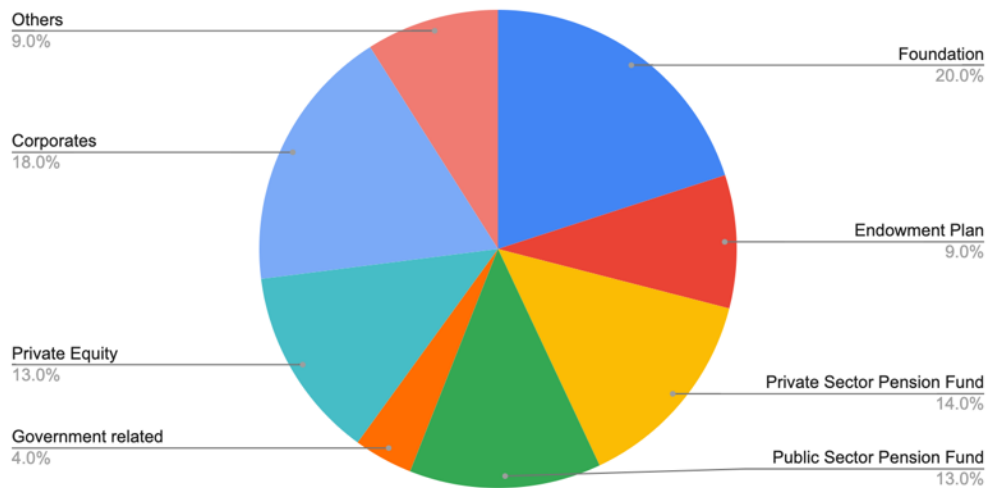
Appx. 2. Accumulated total size of all new start-up-related funds raised in a particular year (in 100 million JPY) and number of new funds. (Initial 2020)



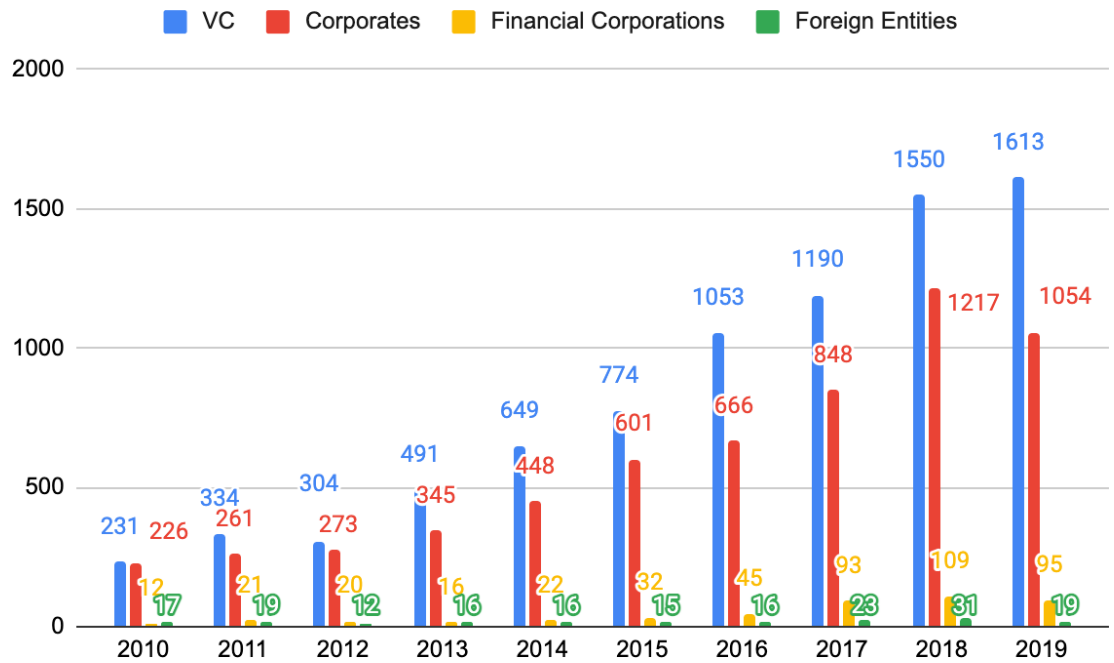
Appx. 3. Average non-Japanese, non-north American investment between 2004-2018 in Japan and USA. (Data compiled by JVCA as cited in Startup DB 2019)



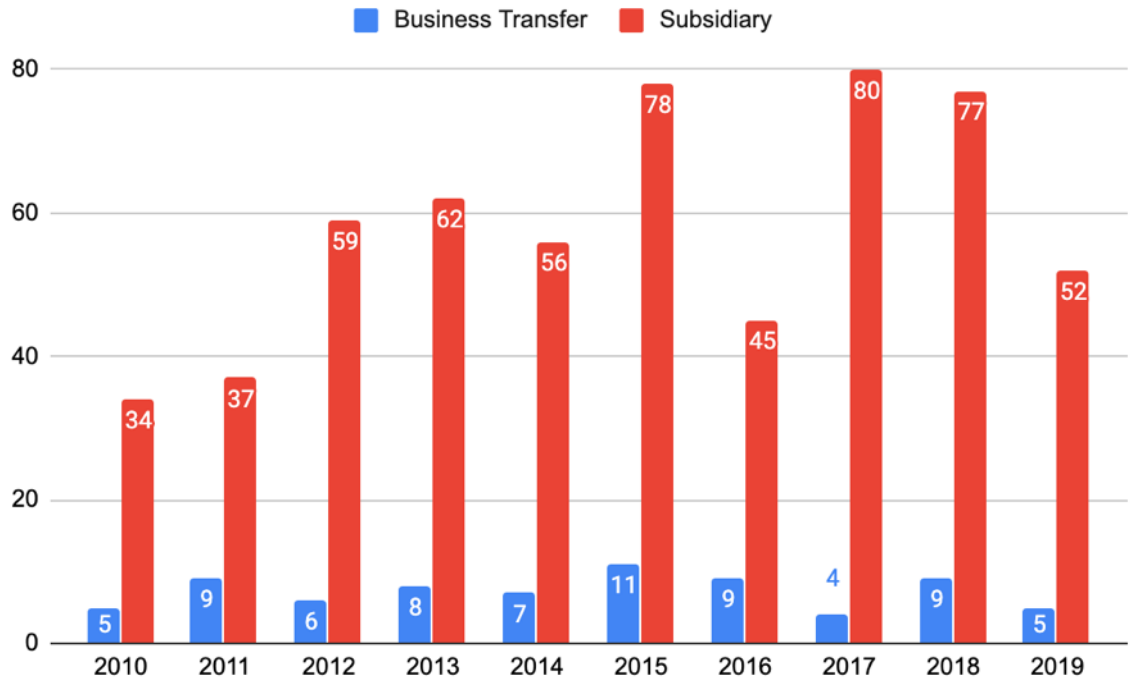
Appx. 4. Sources of start-up funding in Japan based on average data from 2004-2018. (Data compiled by JVCA as cited in Startup DB 2019)



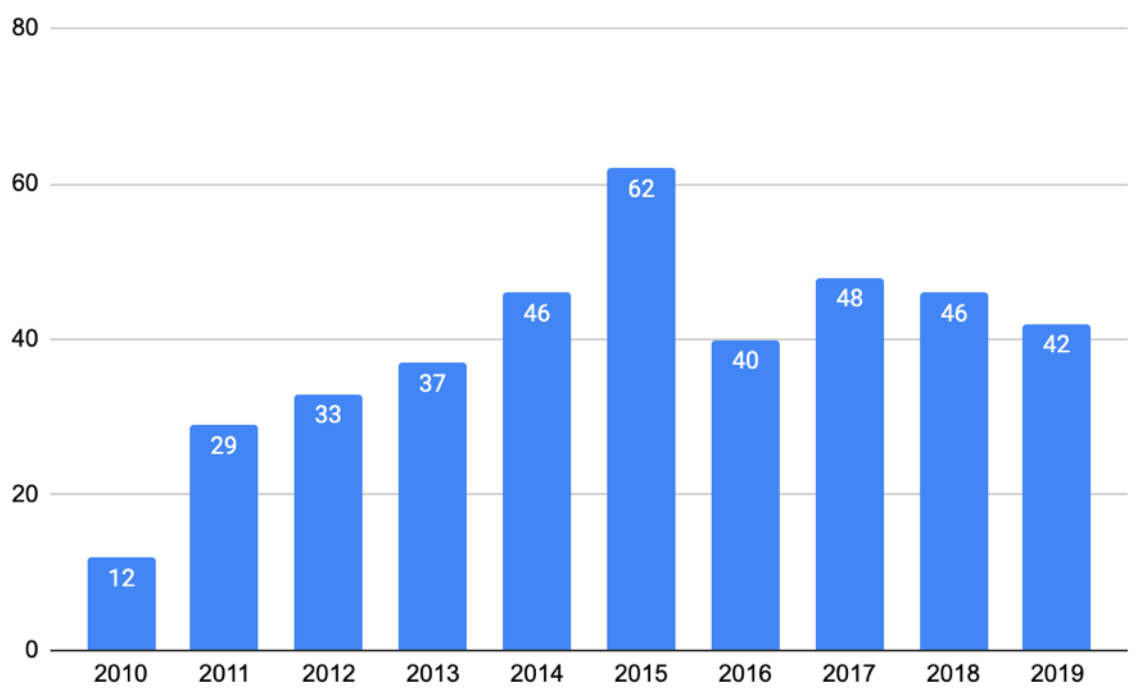
Appx. 5. Sources of start-up funding in the USA based on average data from 2004-2018. (Preqin Pro, Data compiled by JVCA as cited in Startup DB 2019)



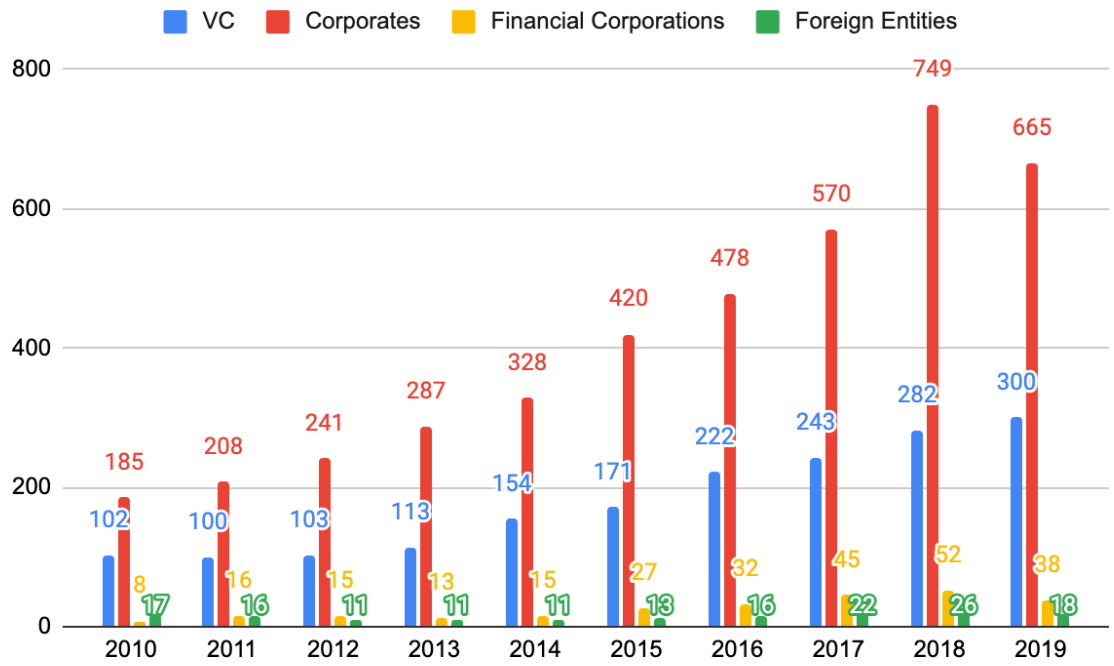
Appx. 6. Number of companies invested in per investor type. (Initial 2020)



Appx. 7. M&A activity in the Japanese start-up space. Business transfer means parts of a business being bought out, subsidiary means the continuous existence of a start-up as a subsidiary legal entity. (Initial 2020)



Appx. 8. IPOs of start-ups in Japan. (Initial 2020)



Appx. 9. Number of active investors differentiated by investor type. (Initial 2020)

## List of Government-led Start-up Policies

Appx. 10. Currently active start-up promotion-related Japanese government policies; separations indicate different departments. (VEC 2019)

Government Entity	Department	Measure
Cabinet Secretariat	Japan Economic Recovery General Office	<ol style="list-style-type: none"> <li>1. Creation of a start-up ecosystem</li> <li>2. Promotion of ‘J-Startup’ (ambitious initiative aiming to create a globally successful Japanese start-up)</li> <li>3. Promotion of open innovation</li> </ol>
Cabinet Office	Regional Revitalisation Promotion Office	<ol style="list-style-type: none"> <li>1. Regulatory reform through ‘National Strategic Special Zones’ (<i>Kokka senryaku tokku</i>)</li> <li>2. Major entrepreneurial/company establishment-related initiatives in ‘National Strategic Special Zones’ (<i>Kokka senryaku tokku</i>)</li> <li>3. Super City Concept</li> </ol>
	Science, Technology and Innovation Lead Group	<ol style="list-style-type: none"> <li>1. Integrated Innovation Strategy 2019</li> <li>2. “Beyond Limits. Unlock Our Potential.” ~ Strategies to establish a global start-up ecosystem base~</li> <li>3. Promotion efforts to award orders to R&amp;D-type SMEs and venture companies through public procurement</li> <li>4. Japan Open Innovation Award</li> </ol>
Ministry of Economy, Trade and Industry	Bureau of Economy, Trade and Industry; Industry Creation Division; New Business Creation Promotion Office	<ol style="list-style-type: none"> <li>1. J-Startup ‘Next growth for Japanese start-ups, next innovation for the world’ (<i>Nihon no sutātoappu ni tsugi no seichō o. Sekai ni tsugi no kakushin o</i>)</li> <li>2. Changes to the stock option tax system</li> <li>3. 5th Japan Venture Award (Award for selected start-ups)</li> </ol>
	Industrial Technology Environment Bureau; Technological and University Collaboration Promotion Division	<ol style="list-style-type: none"> <li>1. Support for Non-Profit Businesses</li> <li>2. Promotion of collaboration between business companies and R&amp;D venture companies</li> </ol>
	SME Administration; Director-General’s Secretariat; General Affairs Division	<ol style="list-style-type: none"> <li>1. Angel tax system</li> <li>2. Partial amendments to public procurement laws (<i>Kankōjuhō</i>)</li> </ol>
	Patent Office; Planning Department; General Affairs Division	<ol style="list-style-type: none"> <li>1. Intellectual Property Acceleration Program (IPAS)</li> <li>2. ‘IP BASE’, an intellectual property portal site for venture companies</li> <li>3. Advisory service for start-ups</li> <li>4. Reduction of fees such as patent fees</li> <li>5. JETRO Innovation Program (JIP)</li> </ol>
	SME Infrastructure Development Organisation; Fund Department; Fund Business Planning Division	<ol style="list-style-type: none"> <li>1. Provision of growth financing to venture companies</li> <li>2. Provision of incubation facilities</li> <li>3. Organisation of Japan Venture Awards</li> <li>4. Management of ‘BusiNest’ (incubator facility)</li> <li>5. Acceleration program ‘FASTAR’</li> </ol>
	Japan External Trade Organisation (JETRO); Innovation & Intellectual Property Department; Start-up Support Division/	<ol style="list-style-type: none"> <li>1. JETRO Innovation Program (JIP)</li> <li>2. JETRO Global Acceleration Hub for international expansion</li> <li>3. Support for companies working on open innovation</li> </ol>

	Innovation Promotion Division	
	New Energy and Industrial Technology Development Organisation (NEDO); Innovation Promotion Department; General Affairs Group	<ol style="list-style-type: none"> <li>1. Technology Commercialization Program (TCP)</li> <li>2. NEDO Entrepreneurs Program (NEP)</li> <li>3. Commercialisation support (STS) for seed-stage R&amp;D ventures</li> <li>4. Support for commercialisation by promoting bridging of research and development (CRI)</li> <li>5. Commercialization support (SCA) for intercompany start-ups</li> <li>6. Highly specialised industry support human resource development program (SSA)</li> <li>7. J-Startup support projects</li> <li>8. Open Innovation Venture Creation Council</li> <li>9. Outer Space Business Investment Matching Platform (S-Matching)</li> </ol>
	Advanced Industrial Science and Technology Office (AIST); Innovation Promotion Division; Venture Development and Technology Transfer Centre	<ol style="list-style-type: none"> <li>1. Start-up Development Strategy Task Force</li> <li>2. Venture technology transfer promotion measures</li> <li>3. Provision of AIST facilities and patents</li> </ol>
	Information-technology Promotion Agency (IPA); IT Human Resource Development Centre; Innovation Human Resources Department	Program supporting the exploration of new business ideas ( <i>2019 mitō adobansuto jigyō, Mitō kaigi 2019</i> )
Ministry of Internal Affairs and Communications Relation	International Strategy Bureau; Technical Policy Division; SCOPE Secretariat	<ol style="list-style-type: none"> <li>1. ‘異能 vation’ (innovation) program</li> <li>2. ICT Innovation Creation Challenge Program (I-Challenge!)</li> </ol>
	National Institute of Information and Communications Technology (NICT); Deployment promotion department; Entrepreneur Support Bureau	<ol style="list-style-type: none"> <li>1. Entrepreneur Koshien (National high school and university student pitching competition)</li> <li>2. Entrepreneur Expo (Event matching promising tech start-ups with investors)</li> </ol>
Ministry of Education	Science and Technology Policy Bureau; Industrial Cooperation/Regional Support Division	Next-generation entrepreneur training program (EDGE-NEXT)
	Higher Education Bureau; National University Corporation Support Division	Public-Private Innovation Program

	Japan Science and Technology Agency (JST); Entrepreneur Support Bureau	<ol style="list-style-type: none"> <li>1. University spinout programs (START, SUCCESS)</li> <li>2. Industry-academia joint development programs (NexTEP)</li> <li>3. Promotion of start-ups through University Venture Awards</li> </ol>
Ministry of Health, Labour and Welfare	Policy Management Office	<ol style="list-style-type: none"> <li>1. Support for ventures founded by mid-career professionals</li> <li>2. Support for medical ventures</li> </ol>
Ministry of Agriculture, Forestry and Fisheries	Food Industry Bureau; Industrial Cooperation Division	Grant for the Promotion of R&D and utilization of results in related industries
Government-related Financial institutions	Japan Finance Corporation; Founding Support Department	<ol style="list-style-type: none"> <li>1. Provision of capital through loans</li> <li>2. High School Business Plan Competition</li> </ol>
		<ol style="list-style-type: none"> <li>1. Development Bank of Japan (DBJ) Female Entrepreneur Business Plan Competition and Women Entrepreneur Centre (WEC)</li> <li>2. Joint seminars between WEC and other organisations</li> <li>3. Activities in collaboration with local public bodies and regional financial institutions</li> </ol>
Public-private funds	Regional Economic Revitalisation Support Corporation (REVIC) (long term, large scale growth investment)	
	INCJ (Investment and management support for start-ups contributing to regional growth)	
	Overseas demand development support organization (former Cool Japan Organisation, venture-related investments)	

## Fieldsite Maps and Pictures



*Appx. 11. Map of the 23 Tokyo special wards.*

[https://upload.wikimedia.org/wikipedia/commons/1/16/Tokyo\\_special\\_wards\\_map.svg](https://upload.wikimedia.org/wikipedia/commons/1/16/Tokyo_special_wards_map.svg)



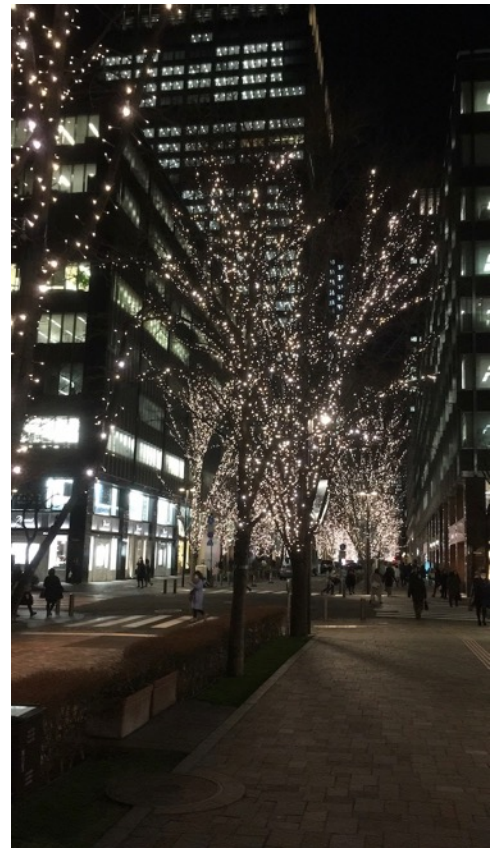
Map created by GoogleMaps [www.maps.google.com](http://www.maps.google.com)



Appx. 12. Map and pictures of Shibuya station area and surroundings (Twig and New Venture).



Map created by GoogleMaps [www.maps.google.com](http://www.maps.google.com)



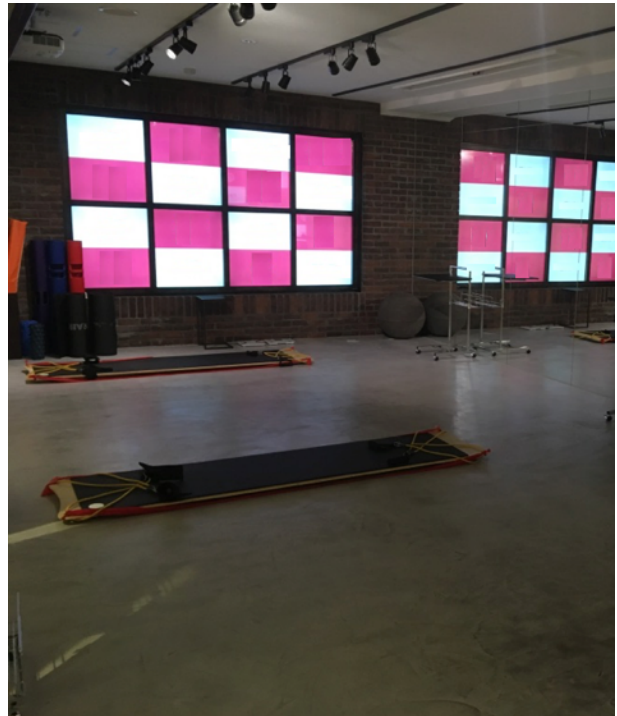
*Appx. 13. Map and pictures of Yūrakuchō station area and surroundings (Branch).*



*Appx. 14. Twig weekly all-company dessert (ice cream); Common sofa area.*



*Appx. 15. Twig birthday surprise with ethnographer.*



*Appx. 16. Branch Valentine's Day event; Workout gym; Meeting in black assembly hall (clockwise).*



*Appx. 17. Pitch event backstage preparation; Frontstage with investor audience.*



*Appx. 18. Awa Bar in Roppongi with start-up company logos on wall; Start-up event stage at Tech in Asia Tokyo 2018.*

### Branch Family

Earnestly engage (*honki de mukiai*) and work towards achieving the firm's/your department's goals (*mokuhyō tassei*).

Understand the firm's/your department's goals, *bijon*, *misshon* and values in the right manner (*tadashiku rikai shi*) and take action to realise them.

### Focused

Be cooperative (*kyōryoku-teki*) and keep promises) necessary for the organisation and company culture (*bunka*).

Negotiate and make decisions to minimise costs when they arise, such as material/personnel expenses.

### NeverSurrender

Approach tasks entrusted by the firm/co-workers (*nakama*)/customers not thinking of excuses for failure (*dekinai riyū*) but with a 'can-do attitude' (*dekiru hōhō*).

Make exceptional efforts to achieve your tasks and goals (*mokuhyō tassei*), without making excuses when unforeseen issues arise.

### Exchange

Build relationships (*ningen kankei*) that mobilise the collaborative force (*kyōryoku*) of company, co-workers, and customers.

Understand the background of your co-workers', company's, and customers' words, actions, and requests, and ask good questions to clarify misunderstandings.

### Speedy

Fast speed and accuracy in every matter relating to understanding, decision making, commencement (*chakushu*), correction, responding, and completion.

Answer requests and orders from your superior, colleagues, and customers without careful supervision (*kakunin sa reru koto wanai*) [by others].

### Competency

Don't blame others (*seme shikō*) when you run into trouble or encounter problems but assume responsibility (*jiseki*).

Master and control your motivation, lifestyle, timeliness, physical health, and physical condition.

### Improvement

Boldly (*yūki ga ari*) set high goals, orient yourself accordingly, and follow PDCA [plan-do-check-act] to achieve them.

Grow professionally (*seichō dekiru*) without being told the same thing several times (*nando mo iwa reru koto naku*) by your company/colleagues/customers.

#### Objectivity

Have the openness (*sunao-sa*) to change yourself and your behaviour without being caught up in prejudice or past success.

Speak and act based on a logical analysis of the numbers, facts and arguments.

#### Honesty

Quickly report inconvenient messages such as mistakes and complaints, to the firm, your boss, and customers.

Apologize and work hard to better yourself in the event of failure or critique.

#### Team-work

Take responsibility for problems and offer constructive (*kensetsu-teki*) suggestions instead of complaining (*fuhei fuman*) to others.

Identify issues and problems (sometimes strictly), for the growth (*seichō*) of the company, co-workers and customers.

<i>Abenomics</i>	Term applied for a set of economic policies (increasing money supply, boosting government spending, etc.) set out in 2012, when Prime Minister Shinzo Abe came into power for a second time with the aim of 'revitalising' the economy.
<i>Aidoru</i>	Katakana of idol; <i>aidoru</i> are performers (song, dance, acting, etc.) whose appeal is characterised by their strong dependence on fans. Some <i>aidoru</i> groups, for example, rank their members according to a vote system; to cast votes, fans buy the groups' CDs, which contain ballot papers.
<i>Asakai</i>	Morning meeting; in Japanese start-ups (and corporations) it is common to have daily morning meetings, during which tasks are reviewed.
<i>Ba</i>	Place; <i>ba</i> describes how ideal Japanese social networks are characterised by strong collective ties in contexts such as the family, the workplace, or the school.
<i>Benchābūmu</i>	Katakana of venture boom; describes how Japanese start-ups often emerged in sudden ruptures throughout history due to regulatory reform or unusual financial liquidity.
<i>Bijon</i>	Katakana of vision; the imagined, ideal state of reality a start-up team aims to realise (usually promoted by founders).
<i>Buchō</i>	Department Head
CEO	Chief Executive Officer; the most senior member of a company
Company-as-family	The functional ideal of the company characterised by strong social ties akin to family ties; see also <i>Ba</i> .
COO	Chief Operating Officer; the second in command in an organisation
CTO	Chief Technology Officer; the executive team member in charge of technological operations
ESOP	Employee Stock Ownership Plan
<i>Famirī shikō</i>	Family thought; see also Company-as-family.
<i>Gattsu</i>	Grit, spirit, gutsy
<i>Genki</i>	Vigor, energy, vitality
<i>Haki</i>	Drive, gumption
<i>Hanayaka</i>	Festive; a term invoked to describe the outgoing, fun, and informal atmosphere of Tokyo's start-up ecosystem.
<i>Hansei</i>	Introspection; practice of self-reflection common and valued in Japan from early childhood onwards.
<i>Hiseiki Shain</i>	Employees in irregular employment; see also <i>Seiki Shain</i> .
<i>Honne</i>	True sound; a person's true feelings and desires; see also <i>Tatemaie</i> .
<i>Ichimaiiwa</i>	Monolithic, made of one slab of stone; can be invoked to describe strong inner cohesion in organisations.

<i>Iketeiru</i>	Being cool' or 'coolness' ( <i>iketeirukan</i> ); describes the unbureaucratic, extroverted, informal and festive atmosphere of Tokyo's start-up ecosystem and student-founder get-togethers.
IPO	Initial Public Offering; the first time a company's shares are listed on a (publicly accessible) stock market.
<i>Jikkō</i>	Execution, taking action.
<i>Jitan Seishain</i>	An employee who despite working part-time obtains social security benefits comparable to regular employees.
JVCA	Japanese Venture Capital Association; the largest venture capital lobbying association in Japan.
<i>Kachikan</i>	Value; both monetary as well as personal values.
<i>Kakugo</i>	Resolution, readiness; being prepared to go through with a plan; committed to doing something.
<i>Kakusa Shakai</i>	Gap society; a term describing a society characterised by social inequality; see also <i>Ushinawareta Jūnen</i> .
<i>Kasetsu kenshō</i>	Hypothesis evaluation; a process that revolves around the systematic evaluation of strategic options in a start-up context.
<i>Kawaiī</i>	Cute, cuddly; can describe a helpless being in the need of help; see also <i>Kōhai</i> .
<i>Keizoku Ritsu</i>	Continuity rate; the number of people who continue using a software service during a certain period of time following initial usage.
<i>Kejime</i>	Distinction; the ability to differentiate between opposites, e.g. inside, and outside; private and public; <i>honne</i> or <i>tatemae</i> ; see also <i>Honne</i> ; <i>Tatemae</i> .
<i>Kiai</i>	Fighting Spirit; invokes the strong focus or fixation necessary to persevere and succeed.
<i>Kōhai</i>	Junior part of an informal hierarchical relationship with a senior (see also <i>Senpai</i> ); concept with Confucian roots pervasive throughout organisations, schools, clubs, associations, etc. in Japan.
<i>Kokoro</i>	Heart, core; captures the unity of spirit, heart, and mind.
KPI	Key Performance Indicator; measurement of business performance
<i>Kuredo</i>	Katakana of credo; the <i>kuredo</i> are behavioural ideals a company's employees should follow when making decisions.
M&A	Mergers and Acquisitions
<i>Maindosetto</i>	Katakana of mindset; a term interlocutors used to describe the way in which one approaches work. Only by changing their <i>maindosetto</i> , meaning committing to the company, people could fully enjoy work, grow, and persevere despite difficulties and setbacks. See also <i>Seishinron</i> ; <i>Kakugo</i> .
<i>Misshon</i>	Katakana of mission; the problem a start-up exists to solve (usually promoted by founders).
<i>Mura</i>	Village; invokes the close relationships typical of one part of Tokyo's start-up ecosystem characterised by young, first-time founders and those interacting with them.
MVV	Mission, Vision, Values

<i>Nenkōjoretsu</i>	Seniority-based wage system rewarding length of employment; see also <i>Seikashugi</i> .
<i>Nori-tsukkomi</i>	A known form of comedic routine employed in <i>manzai</i> . <i>Manzai</i> revolves around the exchange between the straight man ( <i>tsukkomi</i> ) and the buffoon ( <i>boke</i> ). A <i>nori-tsukkomi</i> describes an act where the <i>tsukkomi</i> plays along with the <i>boke</i> only to point out incongruencies at a slightly later point in the act than usual.
<i>Obon</i>	A nationwide mid-summer holiday
<i>Omiyage</i>	Souvenir; within start-ups, employees often bring souvenirs for their colleagues, when they return from trips.
<i>Ōnashippu</i>	Katakana of ownership; <i>ōnashippu</i> not only means company ownership but rather becomes mostly invoked to describe the personal enjoyment that stems from responsibility, from actively ‘doing’ ( <i>varu</i> ), ‘building’ ( <i>tsukuru</i> ), or ‘creating’ ( <i>kurieto</i> ), either alone or as a team. (At times, people also used the Japanese term <i>tōjisha ishiki</i> ).
<i>Ōte</i>	Colloquial term used to describe leading Japanese corporates.
<i>Rakugoka</i>	A performer of <i>rakugo</i> , a traditional form of comedic storytelling usually performed by one artist, who enacts all roles.
<i>Rōdōsha</i>	Labourer; someone engaged in manual work.
<i>Sararīman</i>	Katakana of salaryman; salaried, permanent employees
<i>Seichō</i>	<i>Seichō</i> (growth) does not simply mean economic growth but invokes growth as an organic notion that links economic growth, individual growth and collective growth.
<i>Seikashugi</i>	Merit-based, individual salary and promotion system; see also <i>Nenkōjoretsu</i> .
<i>Seiki Shain</i>	Regular worker; see also <i>Hiseiki Shain</i> .
<i>Seishinron</i>	‘Japanese’ <i>seishin</i> concepts surrounding the power of perseverance and endurance for individual success.
<i>Senpai</i>	Senior part of an informal hierarchical relationship with a junior; see also <i>Kōhai</i> . Concept with Confucian roots pervasive throughout organisations, schools, clubs, associations, etc. in Japan.
<i>Shakai Kadai</i>	Social problem solving; term invoked to describe the positive social impact start-ups ought to strive for.
<i>Kaiketsu</i>	
<i>Shōshikōreika</i>	Low birth rate, ageing society; an ageing society of low birth rates; see also <i>Ushinawareta Jūnen</i> .
<i>Shūshin Koyō</i>	System of lifelong employment; idealised in the post WWII era.
Slack	A team-chat software for companies often used by start-ups.
<i>Supīdo</i>	Katakana of speed; <i>supīdo</i> means the ‘immediacy’ that the absence of bureaucratic structures and regulations enables.
<i>Sukiru</i>	Katakana of skill; ability, expertise when performing a particular task; different from one's devotion or passion for a cause; see also <i>Maindosetto</i> .
<i>Tatemaē</i>	Built in front, facade; the behaviour and opinions expressed in public; see also <i>Honne</i> .

<i>Tateshakai</i>	Vertical society; term invoked to describe hierarchically structured social systems or organisations.
<i>Teikaigi</i>	Regular Meeting (organisational context)
<i>Ushinawareta Jūnen</i>	Lost decades; the period of low economic growth following the burst of the economic 'bubble' in the 1990s.
VC	Can mean both venture capital and venture capitalist in emic parlance. Employed to mean venture capital in this thesis.
VCF	Venture Capital Fund; acronym employed in this thesis.
VUCA	Volatility, Uncertainty, Complexity, Ambiguity; a combination some interlocutors invoked as characteristic of contemporary Japan; see also <i>Ushinawareta Jūnen</i> .
<i>Wa</i>	Can be translated as 'harmony'. Describes the importance of preserving harmonious relationships within a collective or group, rather than prioritising one's personal interests.
<i>Yankī</i>	Katakana of yankee; a subculture of rebellious youth marked by their aggressive language and unique fashion. In media they appear at times as glamourised 'bad boys' (e.g. 'Crows' movie series).
<i>Yorisou</i>	Coming together; a term interlocutors frequently invoked to stress the importance of restoring inner cohesion despite different opinions or conflict; see also <i>Wa</i> .
<i>Zainichi</i>	Staying in Japan; (wrongly) insinuates a temporary state. The term has largely become synonymous with migrants of Korean ( <i>Zainichi Kankokujin</i> ) descent who have settled down permanently in Japan following the end of the Pacific War.
<i>Zaka</i>	Slope; a sloping road, alley, etc.

Appx. 21. List of interviewees of 39 semi-structured interviews.

Interviewee	Age	Gender	Organisation (2018-2019)	Organisation after fieldwork (2020)	Position (during fieldwork)	Rank	Founder Experience	VC Experience	Prior Start-up experience	Prior Work experience
Hiro	25	male	Branch	Large Start-up	business	regular employee	yes		yes	yes
Imai	36	male	Branch	Japanese IT Corporation	engineer	contractor employee	-		yes	yes
Onishi	43	male	Branch	International Corporate	specialist	regular employee			yes	yes
Arai	21	male	Branch	Japanese Financial Corporation	business	intern			yes	yes
Iwasaki	31	male	Branch	Haken Agency	administration	regular employee			no	no
Kikuchi	31	female	Branch	Japanese IT Corporation	specialist	manager			no	yes
Fujimoto	29	male	Branch	Founder (own start-up)	engineer	regular employee			yes	no
Takeda	31	male	Branch	unchanged	engineer	regular employee			yes	yes
Hirano	30	male	Branch	Start-up	business	regular employee			no	yes
Tom	26	male	Branch	Start-up	business	regular employee			no	yes
Sugimoto	34	female	Branch	International Consultancy Firm	specialist	regular employee			no	yes
Matsuo	32	male	Branch	Founder (own start-up)	administration	manager	yes		yes	yes
Miyagawa	21	female	Branch	unchanged	business	regular employee			no	no
Wada	35	male	Branch	VCF Founder	CEO/founder	executive	yes		no	yes
Suga	56	male	Branch	unchanged	specialist	executive			no	yes
Liu	20	male	Branch	International Financial Organisation	business	intern			no	no

Kubo	28	male	Branch	Start-up	business	regular employee			yes	yes
Ueda	22	male	CVC A	unchanged	VC	regular employee		yes	yes	yes
Hara	22	male	CVC B	unchanged	VC	regular employee		yes	no	no
Endo	22	female	Early Stage VC	unchanged	VC	regular employee		yes	no	no
Misako	32	female	Franklin	international start-up	business	regular employee			yes	yes
Sakai	25	male	Late Stage Start-up A	unchanged	engineer	regular employee			yes	yes
Kaneko	31	male	Franklin	Founder (own start-up)	CEO/founder	executive	yes		yes	yes
Yuji	25	male	Japanese Corporate A	unchanged	business	intern			no	no
Okada	33	male	Lomerate, Corp.	Founder (own start-up)	business	manager	yes		no	yes
Yokoyama	33	male	Medic	unchanged	founder	executive	yes		yes	yes
Nakagawa	31	male	New Venture	unchanged	VC	executive	yes	yes	yes	yes
Kudo	26	male	New Venture	Founder (own start-up)	VC	intern	yes	yes	yes	yes
Goto	24	male	New Venture	Early Stage Start-up	VC	intern		yes	yes	yes
Namaizawa	25	male	New Venture	Japanese IT Corporation	VC	intern		yes	yes	yes
Tomizawa	41	female	Support Organisation	unchanged	CEO	founder	yes		yes	yes
Matsumoto	25	female	Twig	Early Stage Start-up	engineer	executive/manager			yes	yes
Ueno	28	male	Twig	International Start-up	marketing	regular employee			yes	yes
Fujiwara	21	female	Twig	Early Stage Start-up	business	intern			yes	yes
Matsuda	22	female	Twig	International Consultancy Firm	business	intern			yes	yes

Keiko	25	female	Twig	unchanged	business	regular employee			yes	yes
Kobata	24	male	Twig	Founder (own start-up)	business	regular employee	yes		yes	yes
Sakurai	26	male	Twig	Late Stage Venture	engineer	regular employee			yes	yes
Kanda	26	male	Twig	Founder (own start-up)	business	executive/manager	yes		yes	yes