Japanese and american management:

Business, Management

Management Practices The Japanese consider three core management practices as Inherent In their system. These include lifetime employment, seniority wages and promotion, and enterprise unionism. Workers are trained at company expense because of the return on Investment of having a lifetime employee. The Interdependency of the company and worker negates the need for aggressive labor unions to defend worker rights. Furthermore, this interdependency results in workers competing against other companies. And thus. Their self-interest Is to Improve quality, raise productivity. ND accept smaller wages, as dictated by the competition. This system came into being after World War II and primarily applied to large companies, especially manufacturing and advanced services, Japan needed to restore the economy, and consequently, there was more cooperation and compromise. The economic boom meant employers wanted a steady labor force and workers wanted Job security. Employers were able to hire unskilled recruits and train them for Jobs that would be required in the future. Termination was not an issue as employers continually had a need for more workers. Japanese management is called monkish management.

Moisakos refers to the young men who carry the portable shrine in festival parades. It is impossible to identify the leader or those who are, or are not, carrying their fair load. Thus, all are anonymous contributors to the group. Institute of Certified Professional Managers James Madison university, MASC. 5504, Harrisonburg, Virginia 22807 Phone: 800-568-4120 web: www. ; CPM. Biz 02008 Institute of certified Professional Managers, All Rights Reserved. Japanese management has theresponsibilityto create a harmoniousenvironmentin which each member of the group effectively contributes to groupgoals.

Japanese feel that the nail that sucks up must be hammered down, while American management believes that the nail that sticks up is most likely to recognized and promoted. Japanese have a term, gamble, which means to persevere, endure, or not give up. Managers often use gamble during a pep talk. However, gamble is an emotional tool that clouds rational thought and minimizes risk management. Gamble makes the Japanese push too hard and fast without evaluating the consequences of their actions. Japanese firms also rotate their management staff every two to three years to expose them to various Jobs.

While managers learn about different parts of the company, they have insufficient time to develop expertise in each position. Furthermore, the rotation process lacks a systematic process. For example, a manager might rotate to a subsidiary in a foreign country, then rotate to a different country, and thus, any benefit gained from learning the language andcultureof the first country is lost with rotation. In addition, rotations seem based on need, without regard to the value a manager brings to the position. This affects morale and generates an enormous amount of inefficiency and incompetence. Development of

Management Principles Japanese management style evolved after World War II. Japanese management learned American business theory under the tutelage of the United States during the occupation and then freely after the occupation. However, the Japanese modified the models to fit their cultural norms. One Japanese model is the PM theory ofleadership. P stands for performance and M stands for maintenance. Specifically, P refers to management's responsibility to form and reach group goals, while M refers to management's responsibility for preserving group harmony. Japanese PM leadership theory is concerned with output and people.

However, the Japanese PM leadership theory differs significantly from American task and relationship leadership theory because, while American management tends to emphasize task more than relationship, Japanese emphasize P and M equally. Lifetime Employment Strategic choice is one explanation for the lifetime employment system. Rapid reinterpretations after World War II required skilled laborers. Lifetime employment enabled skill formation and the costs of training had a positive return on investment since the cost, time, and effort to train employees was repaid with lifetime employment.

Furthermore, lifetime employment fostered commitment because management was not subject to the threat of a hostile takeover and could plan more rationally over a longer time period without pressure of short-term bottom-line results. However, Japanese management extracts a heavy toll for lifetime employment. Japanese management encourages excessive zeal and long work hours. Hotels consisting of small cubicles are located close to businesses so that businessmen can take a short break without having to return home. Little meaningful time is spent outside of work. As a result, when a worker retires, he has neither rinds nor hobbies.

Furthermore, if white collar workers do not stay at the office late, they are transferred to meaningless Jobs and lifetime employment means they cannot seek employment with another company without serious consequences. Thus, Institute of Certified Professional Managers James Madison University, MASC. 5504, Harrisonburg, Virginia 22807 Phone: 800-568-4120 Web: www. CPM. Biz 02008 Institute of Certified Professional Managers, All Rights Reserved. Japanese managers go to great lengths to prove their dedication to their company. Their goal is to demonstrate how much hardship they are willing to endure in their arsenal interests.

Even though the concept of lifetime employment is embedded in the Japanese workforce, lifetime employment is not a written but an implied contract. When the economy dictates a reduction of costs, Japanese firms curtail dividends and bonuses to top management. If this does not produce the desired result, Japanese firms reduce their costs by cutting overtime, transferring employees, suspending new recruitment, offering voluntary early retirement, and temporary paid leave. Termination is a last resort, older employees are asked to leave first, and termination is done on a phased basis.

American corporations tend to lay off employees to keep the dividend rate high and increase the value of stock options for top managers. Furthermore, to adjust for demand, American corporations tend to discharge those with redundant skills and employ those with newer, more relevant skills. Due to the severity of the economy in Japan in the mid-sass, supervisors and co-workers beganbullying(Jimmie) their subordinates and peers in the workplace to vent their frustrations and as an unofficial means to drive out employees without technically violating the lifetime employment contract.

This is expected to occur again with the rent economic crisis. Thus, modern Japanese workers no longer have the same commitment to the company and the traditionalfamily-oriented climate is being replaced by autonomous workers. The burst economic bubble in 1990 put a huge strain on the lifetime employment contract. Japanese mangers used the emotional tool of gamble to push Japanese employees too hard and fast without evaluating the consequences of their actions. Death from overwork, known as Karachi, became more prevalent.

Employers tried to save their companies by pressing employees to work longer hours and extra days without additional pay. Some employees cracked under the pressure and many Japanese firms failed to recover fully, which made it difficult to support the fixed cost of providing lifetime employment for aging workers and managers. As a result of gamble, Japanese firms frequently expanded production operations beyond their resources and capabilities. Gamble pushed for endurance amidst high or mounting costs, and the Japanese were prevented from admitting mistakes to " save face".

Bullying (Jimmie) drove some employees to commitsuicide, which caused numerous lawsuits to be brought against employers by employees and their families. A managers' union was formed in the mid-sass to help Jimmie victims, which further injured the lifetime employment concept. Decision-Making Japanese management examines the big picture and long term when decision making. In contrast, American businesses make quick decisions for immediate resolution or rapid return on investment. The long term view means Japanese firms are more likely to frame decisions in relation to company goals and strategy.

The Japanese decision-making process is designed to avoid uncertainty, which is considered a threat to group cohesiveness. Thus, its purpose is to manage continuity. Japanese managers engage in programmed decision-making by using standard operating procedures found in thick operating manuals. Programmed decision-making entails making Institute of Certified Professional Managers James Madison university, MASC. 5504, Harrisonburg, Bataan 22807 Phone: 800-568-4120 Web: www. CPM. Biz 02008 Institute of Certified Professional Managers, All Rights Reserved.

American managers use non-programmed decision making which entails gathering and analyzing data and information for the purpose of identifying and solving a problem. Two methods of nonprogrammer decision-making are: rational decision- aging and sacrificing decision-making. Rational decision-making involves: ; Investigating and defining the problem. ; Establishing the criteria as a basis to make a decision. ; Identifying alternative choices. ; Evaluating each choice based on the established criteria. ; Selecting the optimum choice (highest quantitative value). Implementation. In contrast, sacrificing decision-making is based on managers having incomplete information, and therefore, managers have to sacrifice by making a decision based on the first choice that meets the minimum criteria. Managers using this decision making process do not identify alternative choices. American managers also use authoritative behavior and participative behavior as to make decisions. Authoritative behavior involves singularly making a decision and informing subordinates of the decision.

Authoritative behavior allows subordinates to be consulted prior to finalizing the decision. Participative behavior involves the decision maker utilizing subordinates in the process and collectively making a decision. Authoritative decision behavior may lead to mediocre organizational performance, hill participative decision behavior may lead to higher levels of productivity. Japanese corporations rely on two methods of participative decision making. The first method is a systemic approach with a proposal (ironings) working its way upward for approval or sanction (kisses).

The second method is mishmashes where informal approaches are made which could result in an informal meeting (Kandahar) or a more formal meeting (khaki) to consider implementation. Advantages include some degree and spontaneity in staff at lower levels and greater participation because all involved get to present their views. This enables consensus-building and reinforces harmony. Disadvantages include too many participants, too many meetings, and many participants simply are too detached from the proposal to offer any value to the process.

Participants make their proposals slowly and cautiously so as not to upset one another, thus, decisions are not made expeditiously. Many meetings are held before a decision is made. A major deterrent to the decision-making process is that those who hold a minority view do not express it to preserve harmony. Furthermore, decisions are flexible and open to change. As a result, decisions are vague, rarely written down, allowing various parties to implement the decision differently. Most often the decision-making process is for show.

The originator of a proposal has to convince others of his or her idea and the meetings convened are ceremonial unless there is strong resistance from another party. Proposals do not go forward without the backing of senior staff. Institute of Certified Professional Managers James Madison university, MASC. 5504, Harrisonburg, vagrant 22807 Phone: 800-568-4120 The mishmashes and ring decision-making processes contains four steps: ; Proposal Circulation ; Approval ; Record The mishmashes process begins when the person and the department head.

The next step is to gain general consensus from those who have input on its implementation. Meetings are held and expert input is solicited. If more information is required, the proposal is sent back to the originator. The ring process begins when the proposal is passed up through the various layers of management for approval. Approval is noted by the use of a seal. The entire system is dimensioning and cumbersome. Its advantage is consensus-building and contrasts with American firm's top-down decision-making process.