

# American management model advantages and disadvantages essay example

[Business](#), [Management](#)



With the financial predicament still rampant, the American model of management which has come under greater inspection. The recent financial predicament was heralded by a number of corporate scandals such as Enron, WorldCom and the impoverishment of the American auto business. But as compared with some numerous companies from the developing nations, they succeeded in supporting flourishing international development while having little conventionality with the set of guidelines of management in effect across the Atlantic. But the billion dollar question begs says Mauro (2009, p. 167). Is this the closing stages of the American model of management? And is it the birth of optional management models? Or is it an indication of the critical decline and requirement for modernization in management? The account of management is inseparable from the American model, and the principles of management from the United States are eye-catching, but the veracity in the business world frequently lags behind those doctrines. After World War II, American industries were used to the modus operandi of bureaucratic management and support planning. However during the 1970s this model was confronted by the unenviable success of the Japanese companies, which revolutionized the techniques of industrial production by establishing smaller management and a participatory organization of work. In the 1990s, the United States of America came back on scene with the Silicon Valley model, which united capitalist dynamism, modernization, business enterprise capital and strong public investment in researching business matters. The case in point was no longer General Motors, but to a certain extent companies like Intel or Google. This success through the supportive innovation made it possible for the United States to broaden a

vision all through the financial and shareholder world, as a mix of flexible technological and commercial competencies anticipated to make available a short-term competitive benefit.

#### 1. Disadvantages/limitations

a) The above approach contributed to the current financial predicament and it also shrouded the models of development and globalization of companies from the developing nations which, nevertheless, did not have any competitive advantages in contrast to the major Western corporations avers Mauro (2009, p. 456).

b) The novel transnational conglomerates of Latin America such as Embraer, Natura Cosméticos, Tenaris, China's Hailer, Lenovo, Huawei, South Korea's L. G, Hyundai, Samsung and India's Infosys, Wipro, Tata, Wipro, etc. unlike the American companies got industrialized in spite of lower management, because they acknowledged the fact that they have to triumph over their limitations as much by replications and learning through novelty. They then sought for speedy international growth prospects based on adjustment to the local markets, particularly in the developing nations and then give emphasis to treaties with more technologically highly developed partners, while attempting to discover innovative management methods articulates Daft, R (2005, p. 299)

c) So is the American model of management declining? It may be more reasonable to suppose that such a model has never in actuality existed and that in the United States, as in other places, many blueprints have been developed and tested. Nonetheless, the doctrinal predominance of American management served better the status of " business schools" than the

American corporations which have succumbed to this illusion since in management; the precedent comprehension is only helpful if one is aware that future challenges will need the invention of new models. It is for that reason that it is essential for management science not to propagate false widespread doctrines but as an alternative, it must become a scientific field which enlightens the diversity of models, while assisting to repair the broken ones suggests Leonard (2005, p. 567).

## 2. Advantages/benefits

a) Coupled with the life span job routine is the importance on pre-eminence in reimbursement and encouragement which is frequently what Americans term as being the required credentials for the employment. This domino effect makes the need for employing higher typical age and less difference in age amongst top decision-making employees in Japan. In comparison to the United States and the European nations, relatively very few corporation heads are under the age of 50 years. This performance is thought to furnish the Japanese administrative with an elaborate acquaintance with reference to their exacting business.

b) There is a theory termed as Z which is an advance to management founded upon a combination of American and Japanese management beliefs and characterized by, amongst other things, long-term job security, consensual assessment making, slow appraisal and promotion dealings, and individual accountability within a group environment. Proponents of Theory Z recommend that it leads to development in organizational performance.

c) Theory Z symbolize a humanistic approach to management even though it is founded on Japanese management doctrines, it is not a pure form of

Japanese management.

d) As an alternative, Theory Z is the hybrid management approach merges the Japanese management beliefs with United States culture states Timothy J (1996).

Theory Z institutions illustrate a strong, homogeneous set of cultural values that are similar to clan cultures. The clan culture is differentiated by the homogeneity of values, attitudes, and objectives. Clan cultures put emphasis on complete socialization of members to realize equivalence of individual and group goals. Even though Theory Z organizations show signs of characteristics of clan cultures, they preserve some elements of bureaucratic hierarchies, such as official authority relationships, performance appraisal, and some work specialization. Proponents of Theory Z advocate that the ordinary cultural values ought to encourage greater organizational obligation amongst employees. The conventional United States institutions are plagued with short-term pledges by employees, but the employers by using more traditional management perceptions may perhaps unintentionally encourage this by treating employees merely as expendable cogs in the profit-making machinery. The Japanese executives characteristically take a more lasting awareness in their organizations than their American counterparts, and to a certain extent this results in the lifetime employment and seniority systems. In America, executives are normally remunerated on the foundation of their department performance. This additional benefit method is not used for Japanese administrators, as it is considered disadvantageous to a long-term standpoint and an interest in the organization as a whole. As compared to the enduring vision of Japanese executives which is founded on the supply of

funding the American institutions depend greatly on resources from the stock markets, while the Japanese are inclined to rely more intensely on borrowing from banks and in common have much higher debt-to-equity quotients. Therefore, the Japanese executives are under less strain to get the much out of temporary earnings to make somebody's day for the shareholders concludes Scott (1995, p. 199)

## References

Mauro F 2009, ' The American model of the multinational firm and the new multinationals from emerging economies,' Academy of Management Perspectives

Barney, J 2004, ' An Interview with William Ouchi.' Academy of Management Executive 18, no. 4 pg 108-117

Daft, R 2005, ' Theory Z: Opening the Corporate Door for Participative Management.' Academy of Management Executive 18, no. pg117-122

Leonard, D 2005, ' Deep Smarts: How to Cultivate and Transfer Enduring Business' Wisdom. Boston: Harvard Business School Press, pg 156

Ouchi,, 1981, ' How American Business Can Meet the Japanese Challenge' Reading, MA: Addison-Wesley, pp 179

Axelrod, R 2000,' Terms Of Engagement: Changing The Way We Change Organizations. San Francisco, California: Berrett-Koehler Publishers, Inc., pp 200

Black, J 2002, ' Upper Saddle River, New Jersey: Financial Times Prentice Hall', pp 678

Bridges, W 1991, ' Managing Transitions: Making The Most Of Change. Reading' Massachusetts: Perseus Books, pp 191

<https://assignbuster.com/american-management-model-advantages-and-disadvantages-essay-example/>

Conner, D 1998, ' Leading At The Edge Of Chaos: How To Create The Nimble Organization. New York, New York: John Wiley & Sons, Inc., pp 198

Conner, D 1992, Managing At The Speed Of Change. New York, New York: Villard Books pp 254

Dalziel, M 1988' Changing Ways: A Practical Tool For Implementing Change Within Organizations. New York, New York: AMACOM, A Division Of American Management Association, pg 189

Dyer, W 1984, ' Strategies For Managing Change' Reading, Massachusetts: Addison-Wesley Publishing Company, Inc., pg 184

Timothy J 1996, ' The Human Side Of Change'. San Francisco, California: Jossey-Bass Inc., Publishers, pg 199

Heller, R 1992, ' Managing Change.' New York, New York: DK Publishing, Inc., 1998.

Kanter, R 1992,' The Challenge Of Organizational Change. New York, New York: The Free Press, pg 199

Kanter, R 1989, ' The Change Masters' New York, New York: Touchstone, 1983.

Kanter, Rosabeth Moss. When Giants Learn To Dance. New York, New York: A Touchtone Book, pg 989

Kirkpatrick, D 1885, 'How To Manage Change Effectively. San Francisco, California: Jossey-Bass Inc., Publishers, pg 198

Kotter, J 2002.' The Heart Of Change. Boston, Massachusetts: Harvard Business School Press, pg 200

Kotter, J 1996, ' Leading Change. Boston, Massachusetts: Harvard Business School Press, pg 199

Lippitt, G 1995, ' Implementing Organizational Change', San Francisco, California: Jossey-Bass Inc., Publishers, 198

Scott, C 1995, ' Managing Change At Work: Leading People Through Organizational Transitions' Menlo Park, California: Crisp Publications, Inc., pg 995

Skarke, Gary, Butch Holland, Bill Rogers, and Diane Landon. The Change Management Toolkit: A Step-By-Step Methodology For Successfully Implementing Dramatic Organizational Change. Second Edition. Houston, Texas: WinHope Press, 1995.