

Japanese and american business behavior

Business



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Management sciences have long identified that there are many forms of business behaviors. Different organizations from different cultures tend to run their business in different manners, this include decision making activities, problem solving, future forecasting, and other issues within a business.

The differences do not stop on the organizational level, managers of different cultures generally has their own personal style of managing their subordinates. These differences are interesting to study because of the increasing phenomena of globalization.

II. Research Background

II. 1. The Need to Study Business Styles

Different companies within different cultures previously have no need compare their business styles with those of foreign companies. However, with the rising of globalization and international competition, corporations are derived to take account of business cultures from all over the world. This is necessary in time where they have to make connections with foreign business in order to grow or survive. Furthermore, some business behaviors might be better suited in their local environment but contributes poorly within the global environment.

There are times where changes of culture from local to global culture are necessities. Thus, to compare one business style to another is almost a common activity for economist and businessmen today.

II. 2 Why Study Japanese Culture

Asian economy has always been a matter of intense discussion among American scholars. There are predictions from many economist and <https://assignbuster.com/japanese-and-american-business-behavior/>

observers that Asia will be the center of economic growth once the world has entered the new millennium. Although these predictions have not come through as expected, the rapid development of Asian economy is still an important event in the history of world's economy.

Let us take Japan as a representation of the strength of Asian economy. Japan produces some of the most innovative and highest quality products in the world. Since 1970's, Japanese automakers have been intensely competing with US automakers. Some even believed that they have exceeded the US automakers in some respects. The British motorcycle industry, which once considered as the one who brought the 'golden age' on motorcycle industries has been wiped-out almost entirely by the presence of Japan's futuristic motorcycles in their local soil.

In fact, today, we have seen that Japanese culture is everywhere in the world. Many Americans today are fans of Japanese products since they were children. Japanese products have undeniably infiltrate US social and economic life in the most significant way. The popularity of Kill Bill, Iron Chef, Power Rangers, Hello Kitty, and Anime describes the strong presence of Japanese culture in the United States. Furthermore, American businessmen are today learning Japanese business style, more than just to communicate with their Japanese partners, but also to enhance their efficiency in doing business.

The acknowledgement given to Japanese culture and their influence is overwhelming in many parts of the world (Palmeri, 2004). The popularity of Japanese culture in most parts of the world brought upon an interesting question for American business people. What are actually the differences

between Japanese business behaviors and American business behaviors? Furthermore, the ability of Japanese businessmen to do what Americans cannot bring increasing interest in studying the popular culture. Within this paper, I am comparing two of the world's most popular business styles, the American style and the Japanese style.

There will be discussion on differences, similarities and some comparison of which has the advantage over certain situations.

III. Research Question

As mentioned above, the strength of Japanese culture astonished economist from all over the world. With the increasing case studies where Japanese businessmen outperform others in international market, there is an interesting question of whether Japanese culture could have exceeded the dominating culture of the world (Americans). The implied research questions in the elaboration above are:

‘ With respect to its Strengths and Weaknesses, is Japanese business culture more suitable for business advancement and development than the American business culture? ’ In order to answer this question, a sufficient elaboration regarding both business cultures is required. The elaboration should lead to a comparative analysis regarding both business cultures. Based on book, journals and articles on Japanese and American business culture, I will divide the comparative analysis into several chapters focusing on different ways to compare the two business cultures.

A concluding statement will be made to summarize the comparative analysis in the end of the paper. I

V. Organizational Management Styles

IV. 1 Roles and Decision

Making In terms of managerial styles, American companies tend to be financially oriented and value autonomy. In a typical American company, the role of each employee is clearly defined and the employee is fully responsible for the activities assigned to him/her. Decisions generally come from individual authority, and the company usually makes clear definition of who is entitle for making what kinds of decisions (Engel, 2000).

The Japanese style of management however, has a rather contrast approach. Japan companies (or Japanese style companies) has a more intuitive approach to management. Most of the employees have undefined roles and they are most likely to be assigned as teams to work together for groupgoals. Decisions do not come from a single person, but rather as a collective process involving many voices. However, when it comes to managing overseas, Japan companies seem to be more centralized that US corporations.

For instance, if a Japanese company has an affiliate in US soil, their necessities focus on detailedcommunicationacross the Pacific. Generally, such communication is dominated by Japanese employees, excluding many of the American employees from the managerial process. Furthermore, the US affiliate will most likely diminish in its ability to act independently. These issues created significant concern for American employees working for Japanese companies.

IV. 2 Strategic Planning

In strategic planning, Japanese companies seem to have a considerably different approach to Americans.

For instance, while formulating a strategy, Americans are more-top-driven in their approach. They prefer to design changes and speed up evolution. This is in contrast with the Japanese who prefer to allow things to evolve from the bottom (Fiedler, 1965). American business people tend to finalize strategies quickly, sometimes without taking account of several issues and factors. They generally prefer to spend more time correcting the strategy in the implementation stage. The Japanese, on the other hand, tends to hold more careful discussion of what might go wrong and find their solutions.

It is not until an all round agreement is achieved would the strategy be implemented. Many believe that the Japanese take more time to execute a plan and that is simply unacceptable. On the other hand, there are those who believed that the Japanese way is better, because they do not force the process. They allow everything to be in place, and when it does, they implement it quickly. Another argument in awe of the Japanese business culture is the fact that most Japanese managers prefer to look into the roots of the problem before making decisions, judgments and strategies.

The American straightforward approach often result casualties of innocent workers being fired because management cannot see the root of the problem. This judgmental behavior is efficient, but not effective. Decisions are delivered in faster amount of time but less accuracy and depth of analysis. Japanese managers prefer to solve the problem first before looking for someone to blame. This culture evolves in a manner that allows

employees to feel shame even before they were even accused of misconduct. Mutual understanding and commitment to corporate goal is what fueled the Japanese strategy-machine to work.

IV. 3 Employment and Personnel Management

In terms of employment, many writers indicated that Japan companies have distinctly unique system of ' lifetime employment. Japanese companies are given credit by many for their ability in fostering loyalty and encouragement of their employees. Nevertheless, this is domestic in nature, and the system generally turns weak, once the companies enter international realm. Most of the modern nations found the Japanese employment system demands things that little (except Japanese people) would tolerate.

Analysts indicated that these demands come from the lack of external labor market. There is not much choice for Japanese labor and employees in terms of employment. Thus, they tend to go along with every terms of the company, once they have signed their contracts (Hersey, 1972). In foreign lands, Japanese companies who find that their system of employment is large unacceptable by non-Japanese, generally come up with an unfortunate solution. They would decide that the non-Japanese is to be hired under separate employment categories with little advancement opportunity or job security.

IV. 4 Thickness of Culture

Opening to new culture has been recognized as one of the popular traits of American business style. Corporations generally have a strong statement of their culture, but with a sense of flexibility and openness for new people and subsidiaries. Many writers consider this as advancement over other

developing business cultures around the world. The Japanese on the other hand, develop a very 'thick' sense of corporate culture in each of their working generations. This strong sense of culture evolves from the fact that most Japanese employees work together for as long as a lifetime.

Even a Japanese new entry would have difficulties in tuning-in to the corporate culture if they join in mid-career. Because of this tendency to form a strong bond among Japanese employees, Americans working within these companies generally experience numerous frictions and frustrations because they fail to understand the ongoing culture in the company (Kopp, n. d).

V. Personal Leadership Styles

V. 1 Types of Leadership

Within this chapter, I will elaborate several types of leadership styles. Within each style there is an assessment of how Americans or Japanese favor the style. The types of leadership are: ? Directive Leadership

Companies whose managers are accustomed to stress direction to subordinates are those of the directive leadership style. This style became famous in the United States, but it is now declining in frequency. Many stated that this style is currently most dominant in Asian countries. However, the Japanese seemed to be excluded in this particular category.

Participative Leadership

This style pursues close teamwork as a path to success. The Japanese are the symbol of this particular leadership style. Americans very seldom practice this type of leadership.

Empowering Leadership

This type of leadership is a brand new trend in America.

It stresses on delegating responsibilities to subordinates and retain their passion in doing the best for the company. American Giants today are proclaiming themselves to be practicing this type of leadership. However, many Japanese multinationals (like Sony Corp.) have this type of leadership style within their corporate philosophy. ? Charismatic Leadership Many CEO of multinationals have what is called human magnetism. It is the ability to gain trust from others to do what is needed for the company. These leaders usually exist within national boundaries. Their charismatic power seldom breaks through the limits of their culture.

This type of leadership was dominated by Americans; however, their numbers are significantly reduced by as many of US companies go global. More of them exist within the Japanese local culture now. (Cotter, 2001)

V. 2 Family Succession Leadership

According to HBS (Harvard Business School) professor, D. Quinn Mills (2005), Japanese and other Asian companies are noted to pass down their line of leadership to family members. This is similar to the conduct of some of the largest American companies. However, it is more popular in American business culture that firms are run by professional managers and replaced by another professional manager.

In American business culture, better companies generally have advance programs for developing executives within the firm. The next CEO will be chosen among them. There are also American companies who hire external

CEOs without any familiarities of the company. This behavior is generally derived from the need to excel in growth or recovery. Despite the fact that several Japanese companies exceeded the Americans in terms of efficiency and profitability, many scholars still believe that the Japanese business style is only a stage of development which will finally lead to the American business style.

These scholars argued using the leadership succession styles. They mentioned that the family succession culture was once a common practice among US companies. However, it was then replaced by the professional management succession line which is considered the latest piece of the evolutionary line. These scholars mentioned that it is possible that Asian firms will follow this evolutionary path in the future.

V. 3 Political Connections

In Japan and other Asian countries, it is more apparent that the success of a company depends to the intensity of its relations to political and social leaders of the environment.

Japan and other Asian countries have developed a belief that connections to important people are crucial for the survival of their business. Quite contrast, the CEOs in America often have no direct connections to top politicians. The government only has authority at an arm's length and business affairs are done by business people. Nevertheless, this does not include exceptions where older and powerful American companies take advantage of their political connections to enhance their success. The percentage of these companies is very low compared with Asian companies (Kopp, n. d).

VI. Communication Patterns

Japanese and Americans share some of their traits in terms of communication. Both of them are superpowers who held high their own culture. Americans and Japanese are known for their lack of knowledge over other languages. Few Americans speak and read foreign language enough to do business with people who do not understand English very well. Similarly, Japanese businessmen tend to be uncomfortable in detailed business discussion using English and English-language documents. Some other traits they share are their lack of experience in dealing with foreign people.

Most of them lack the skills necessary to overcome cross-cultural challenges (Kenna & Sondra, 1994). Japanese and American communication also has significant differences in their communication patterns. American business people tend to be more direct opened and values discussion. The Japanese style is on the other hand, more vague and roundabout. Much of the meaning is stated in nonverbal cues and subtle nuances of toning and wording. Different from Americans who viewed debate and challenging discussion as a positive trait, the Japanese tend to avoid them and viewed them negatively (Kenna & Sondra, 1994).

VII Conclusion

The comparative analysis points out to several conclusions. The Japanese business culture is apparently very strong around its people. However, when their business expands to foreign lands, the power of their culture is either reduced, causing the lost of certain competitive advantages, or tightened, causing lack of collaboration to the surrounding environment. One of the reasons of Japanese rapid expansion into the international world is its unique

managerial style. Successful Japanese companies have the ability to generate powerful motivation among its employees, thus, increasing corporate profitability, creativity and quality management.

In this respect, the Japanese business culture has a significant advantage compare to the American business culture. The American seems to have superior business philosophy compare to the Japanese. Its 'opened' communication pattern and the lack of need for political connections and family ties provide high level of flexibility which supported expansion and business evolution. However, the quick decision making processes, the top-down evolution methods, and the impersonal relationship of its employees created a lack of strength in American managerial structure.

Because of these, there are more strategies in the American culture that do not reach their goals, and more employees become left behind by the quick evolutionary stages. In this respect, the Japanese culture also presents a favorable behavior for business evolvement. As a final conclusion, despite the fact that each business culture has their own strengths and weaknesses, this paper reveals a strong agreement that Japanese business culture has a significant advantage over the American business culture.

A further study however, needed to be done over each and every aspects mentioned above in order to provide a more detailed explanation of how each culture excels or diminish within those respects.

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